SUPREME COURT, U. S.

Supreme Court, U. S.
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IN THE

# Supreme Court of the United States

OCTOBER TERM, 1973

No. 73-633

CELANESE CORPORATION AND FIBER INDUSTRIES, INC.,
*Petitioners,*

v.

THE HONORABLE ROBERT W. HEMPHILL, DISTRICT JUDGE,
*Respondent.*

## PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

MARY HELEN SEARS
EDWARD S. IRONS
IRONS, SEARS & SANTORELLI
1801 K Street, N. W.
Washington, D. C. 20006

*Attorneys for Petitioners*

WILSON - EPES PRINTING CO., INC. - RE 7-6002 - WASHINGTON, D. C. 20001

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## PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

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Petitioners pray that a writ of certiorari issue reviewing the judgment of the Court of Appeals for the Fourth Circuit entered in the subject case on July 12, 1973.

## THE OPINIONS BELOW

The opinion of the Court of Appeals for the Fourth Circuit, set forth in a one-page "order" (*infra*, 1a) filed July 12, 1973, is not reported. It denied issuance of a writ of mandamus and prohibition in respect to the likewise unreported "order" of the District Court for the District of South Carolina (*infra*, 2a) dated January 22, 1973.

## JURISDICTION

The order of the court below denying petitioners' application for a writ of mandamus and prohibition is dated July 12, 1973. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

## QUESTIONS PRESENTED

1. Does a federal district court have a duty to aid the search for truth in federal litigation by permitting any party to an action pending in a sister federal district court, on request, to inspect and copy at reasonable cost relevant, nonprivileged documents and things within its control?

2. Does one federal district court have power to exact penal sums as the price of permitting a party to a civil action pending before a sister federal district court to inspect and copy relevant nonprivileged documents and things within its control?

3. Under Rule 26(c) may a federal district court impose a protective order without good cause?

(a) If so, may such a protective order validly prohibit parties to a civil action in one federal district court

(i) from using the nonprivileged documents and things generated in that case or

(ii) producing them under Rule 34

in a second civil action involving the same general subject matter pending before a different federal district court, to which they are also parties?

## STATUTES AND RULES INVOLVED

This case involves 28 U.S.C. 1651 (6a) and the interpretation of the Federal Rules of Civil Procedure relating to documentary discovery and testimony, especially Rules

26, 30, 34 and 45, (*infra*, 6a) as well as Rule 83 (*infra*, 20a)

## STATEMENT OF THE CASE

Petitioners Celanese Corporation ("Celanese") and Fiber Industries, Inc. ("FII") are declaratory judgment plaintiffs in Civil Action 71-1026-Civ.-CA pending before the District Court for the Southern District of Florida as part of MDL Docket No. 82. Respondent, the Honorable Robert W. Hemphill, is a district judge for the District of South Carolina. The corporate respondents are the various parties to Consolidated Civil Action 71-306, styled as *Duplan Corporation et al.* v. *Deering-Milliken et al.*, which is pending in South Carolina before Judge Hemphill.

The case arises from the denial of a petition for writ of mandamus and prohibition in the court below on the ground that "The district court did not abuse its discretion in placing . . . conditions upon petitioners' access to" the nonprivileged documents and things—including deposition transcripts and exhibits, memoranda, documents produced by parties, pretrial motions, yarn and fabric samples, etc.—compiled and prepared in Consolidated Civil Action 71-306.

Access to these nonprivileged materials was sought by Celanese and FII for use in MDL No. 82 because the same general subject matter is in issue in both that litigation and Consolidated Civil Action 71-306—to wit, machinery and processes for false twist texturing of synthetic yarn.

In the Florida litigation, MDL No. 82, there are raised questions of whether some nine patents jointly controlled by Leesona Corporation, Lex-Tex Ltd., Inc. and Permatwist Company (the "Florida patent owners") are invalid, unenforceable and noninfringed. These nine patents pur-

port to cover so-called single and double heater false twist texturing equipment and methods and are particularly advanced by the Florida patent owners as covering Leesona false twist equipment and its mode of operation.[1] Consolidated Civil Action 71-306 in South Carolina is fundamentally concerned with whether some 21 patents jointly controlled by a group consisting of Deering-Milliken, Inc. ("DMI"), Deering-Milliken Research Corporation ("DM-RC"), Ateliers Roannais de Constructions Textiles ("AR-CT-France"), its United States subsidiary ARCT, Inc. and Moulinage de Retorderie de Chavanoz ("Chavanoz") (hereafter sometimes "the South Carolina patent owners") are invalid, unenforceable and noninfringed. The South Carolina patent owners contend that these patents generally cover ARCT false twist texturing equipment[2] and its mode of operation.

The patents in suit in Florida conflict and overlap with those in suit in South Carolina. The competing groups of patent owner parties have granted one another im-

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[1] The Judicial Panel on Multidistrict Litigation in transferring to Florida and consolidating there for coordinated pretrial some 35 cases originally filed in four different districts found that

> "The litigation is unusual and its prompt disposition is urgent to commerce in the very important double knit yarn (sometimes 'false twisting') industry because it involves primarily the validity of 6 basic patents which presently dominate the double knit yarn industry". *In Re Yarn Processing Patent Validity Litigation*, 341 F. Supp. 376, 377 (JPML 1972).

Three of the patents in the Florida case are subject to a summary judgment of invalidity entered May 3, 1973, now on appeal before the Court of Appeals for the Fifth Circuit in No. 73-2420. Misuse and antitrust issues relating to these patents are still outstanding in the trial court.

[2] Some of the patents in suit in South Carolina have already been declared invalid or unenforceable but because of secrecy attending the proceedings before that court, petitioners are not certain just how many fall in that category. We do know that two of the patents are subject to the decision of the Fourth Circuit in No. 73-1357 rendered September 27, 1973 affirming a district court summary judgment decision on invalidity.

munity from suit under their respective false twist patent packages in a world-wide settlement reached in 1964.[3]

To a considerable extent, there is commonality between the parties attacking the patents in both courts. Thus the Duplan Corporation, Texfi Industries, Inc., and Burlington Industries, Inc. including its affiliates Madison Throwing Company, Leon Ferenbach, Inc., and National Spinning Company, Inc. (hereinafter sometimes "the Burlington group") are opposing the Florida patent owners in MDL No. 82 and the South Carolina patent owners in consolidated Civil Action 71-306. These parties are represented in both courts by the same counsel. Moreover such counsel, jointly or severally, also represent those parties attacking the patents in South Carolina who are not parties to the Florida case.[4] Thus the South Carolina parties who are *not* involved in the Florida case have access, through their counsel, to *all* of the Florida proceedings and discovery.

Petitioners Celanese and FII are neither parties to the South Carolina case nor represented by counsel who also represent South Carolina parties.

Early in the South Carolina litigation, Judge Hemphill *sua sponte* imposed an oral protective order requiring all proceedings in Civil Action 71-306 to be held in confidence, unavailable to the public. This protective order specifically extends to deposition transcripts and exhibits, memoranda and exhibits filed incident motions before the court, nonprivileged documents produced by

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[3] See *Duplan Corp.* v. *Deering Milliken Inc.*, 334 F. Supp. 703 (D.S.C. 1971), especially fact findings 7 and 16 quoted *infra*, note 11, p. 10.

[4] For example, such parties as Olympia Mills, Dixie Yarns, Burkyarns, Inc., Spring-Tex, etc. who are *not* parties in Florida are represented by counsel who also represent parties common to both cases—and thereby they have full access to *all* Florida documentation, including depositions, exhibits, produced documents, etc.

the parties under Rule 34, interrogatories and answers, requests for admissions and answers and the like.

One of the particularly unfair results of this order is that the South Carolina deposition testimony and exhibits of witnesses called in both cases is unavailable to Celanese and FII,[5] who hence cannot properly prepare for trial in Florida. Even information emanating from parties opposing the patents is unavailable once it has been made of record in South Carolina.[6]

Celanese and FII are also effectively precluded from access to all relevant information emanating from the South Carolina patent owners, even though at least some portions of it constitute relevant prior art and state of the art information in the Florida case.[7] Other portions

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[5] Witnesses called to testify in both cases include but are not limited to Robert Leeson, Sr., Leesona's chief executive during most of the relevant time, Albert P. Davis, Leesona's house patent counsel since about 1950, Dennis A. E. Mattingly, a British national having prior art and state of the art knowledge about false twist texturing, H. M. Strub, Jr., technical director of Duplan, Joseph Hamilton, president of Texfi industries, Dalton McMichael, former president of Madison Throwing, Nicholas J. Stoddard, a co-inventor of five patents in suit in Florida, Harold Roberts, former president of Duplan and Carl Ferenbach of Leon Ferenbach.

In addition, efforts were made in both cases to take testimony of Warren A. Seem, a co-inventor of five of the patents in suit in Florida. These efforts failed in both courts due to Mr. Seem's alleged physical incapacity to testify.

[6] Witnesses known to have testified in South Carolina whose testimony is unavailable, though believed to be of a significant prior art nature vis-a-vis the patents in suit in Florida are Messrs. Carl Hemmerich, Eric Hemmerich, and a Mr. Ressel, all of whom are in privity with Hemmerich Industries, a party opposing the patents in South Carolina.

[7] Celanese and FII have repeatedly endeavored to take testimony of Henri Crouzet, Charles Crouzet and Yves de Moncuit, French nationals who are named inventors on many of the patents in suit in South Carolina and have been refused the right to do so by Judge Hemphill.

In addition, DMI and DMRC are known to possess information relevant to the validity of the patents in suit in Florida, including

of that information are needed by Celanese and FII to meet and dispose of charges advanced by Leesona in Florida that Celanese and FII conspired with ARCT and others in derogation of the antitrust laws to further the sale of ARCT false twist equipment and suppress sales of competing Leesona equipment.

In short, accessibility to the South Carolina proceedings is vital to proper preparation and trial of the Florida case on behalf of Celanese and FII.

In recognition of this fact, Celanese and FII on June 15, 1972, directed a letter to the Honorable C. Clyde Atkins, district judge presiding over the Florida litigation, with copy to Judge Hemphill, alerting both to the need for access to the South Carolina record and documents. This letter precipitated discussion at a pretrial hearing in Florida on July 14, 1972 at which Judge Atkins expressed the view "that if anybody here has documents that are involved in the South Carolina matter which were not produced on any confidential basis that would violate that Court's order, there ought to be cooperation on it" (Tr. 8).

Accordingly on July 24, 1972 Celanese and FII applied to Judge Hemphill, *inter alia*.

> ". . . to grant their counsel access to all papers and records of any nature in this case [*i.e.* the South Carolina case] which are not subject to sustained claims of privilege or other immunity from production, and including, without limitation, all proceedings, motions, memoranda of counsel, copies of depo-

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documentation showing public sampling of false twisted yarn by the Florida patent owners well over one year before their patent applications were filed and hence relevant under 35 U.S.C. 102(b). DMI and DMRC also have important information relevant to several items of prior litigation between the South Carolina patent owners and the Florida patent owners which involved patents now in suit in Florida and was settled by the world-wide agreements consummated in 1964. See note 11 *infra* p. 10.

> sitions, transcripts and exhibits . . . interrogatories, interrogatory answers, requests for admissions, responses to requests for admissions and produced documents."

The South Carolina court did not respond to this application in any way. On August 11, 1972, counsel for Celanese and FII telephoned Judge Hemphill's office in an effort to determine whether a hearing would be held and was ultimately referred to Judge Hemphill himself who stated that he intended to take no action whatever because he could not see that Celanese and FII had "any standing at all" in his court.[8] Celanese and FII thereupon on August 13, 1972, supplemented their petition to point out, *inter alia*, various rules and statutes imparting "standing". Subsequently, by notice dated August 29, 1972, Judge Hemphill set a hearing for December 7, 1972.[9]

Well in advance of the scheduled December 7, 1972 hearing, counsel for Celanese and FII requested all trial

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[8] The quotation is from a contemporaneous memorandum of the conversation made by Celanese and FII counsel which is part of the record below.

[9] Because the application as originally filed also sought leave to participate in the depositions of the French nationals referred to in note 7, page 6, *supra*, hereof, which depositions were scheduled to go forward in France in November 1972, Celanese and FII counsel then asked for and were denied an earlier hearing date. There ensued a petition for writ of mandamus to the Court of Appeals for the Fourth Circuit, No. 72-2084, seeking that Judge Hemphill be required to entertain and promptly decide the pending Celanese and FII request for relief.

Judge Hemphill was directed to answer and mandamus petition and did so. In addition, on October 23, 1972, and without any hearing, Judge Hemphill entered an order denying the request for leave to participate in the French depositions on the ground that Celanese and FII lacked "standing" to do so but deferring ruling on the Celanese and FII request for access to the proceedings in the South Carolina case pending the scheduled December 7, 1972 hearing. The petition for mandamus was thereupon dismissed by the appellate court on October 31, 1972.

counsel in the South Carolina case, in writing, to concur in an order granting them access to the proceedings in that case. Responses to these letters indicated that while no South Carolina party on either side of the case opposed access by Celanese and FII to the records and documents, no party was prepared to agree to the proposed order absent specific authorization from Judge Hemphill.

On December 2 and 6, 1972, Celanese and FII supplemented their request for access to the South Carolina proceedings with evidence and a supporting memorandum, *inter alia*, calling attention to this Court's decision in *Ex parte Uppercu*, 239 U.S. 433 (1915).

At the hearing on December 7, 1972, before Judge Hemphill, no party to the South Carolina case *opposed* granting Celanese and FII access to the South Carolina records and documents.[10] The South Carolina patent owner parties, however, took the position that Celanese and FII had "no standing" in South Carolina whereby such access should be obtained through the Florida court by Rule 34 request or subpoena to the parties common to both the Florida and South Carolina cases, thereby avoiding imposition upon Judge Hemphill of the alleged "burden" of permitting court records in the South Carolina Clerk's office to be examined and copied. (Tr. 6-8).

As Celanese and FII emphasized to Judge Hemphill at that time, "Judge Atkins is already on the record

[10] As early as June 23, 1972, Mr. John W. Malley, counsel for Burlington and its affiliates in both Florida and South Carolina, informed Judge Atkins in Florida "that it is not the throwsters [*i.e.*, Burlington and affiliates, Texfi, and Duplan] who object to Mr. Irons' access to documents in the South Carolina litigation. . . ."

At the December 7, 1972 hearing in South Carolina, Mr. Greenfield, counsel for the South Carolina patent owner parties, twice emphasized that his clients had no objection to producing for Celanese and FII counsel "anything that we have produced to Mr. Malley" (Tr. page 16); "anything which we have given to Mr. Malley" (Tr. page 17).

. . . that . . . the documents in . . . this case might be appropriately produced to me if it didn't interfere with any protective order which Your Honor has entered in this case [South Carolina]" (Tr. 9).

Judge Hemphill's ruling was rendered January 22, 1973 by written order (*infra*, 2a). This order states at the outset that "Petitioners claim to be parties in similar litigation now pending in the Southern District of Florida, the exact nature of which the court has neither the time, nor the curiosity, to ascertain".[11] Petitioners are roundly castigated because they "have taken up the valuable time of this court, away from the ordinary business pending in the District of South Carolina, in an effort to scavenge information in the process of

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[11] In actuality Judge Hemphill is and had long been very familiar with the pertinent facts demonstrating overlap between the Florida and South Carolina cases. See, *e.g.*, his own findings of fact 7 and 16 in *Duplan Corp.* vs. *Deering Milliken, Inc.*, 334 F.Supp. 703 (D.S.C. 1971) which read:

> "7. Another party to some of the basic contracts is Leesona Corporation of Warwick, Rhode Island. It is the only American manufacturer of competing machinery. It acquired from a partnership of alleged inventors (The Permatwist Company) certain other United States patents on the competing machinery." (334 F. Supp. at 706).
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> * * * *
>
> "16. Beyond all these contracts, and beyond the regular systematic coordinated performance in South Carolina of these basic agreements between Chavanoz, ARCT-France, and the American agent in South Carolina—on March 31, 1964, the defendants ARCT-France and Chavanoz together with DMRC and Whitin Machine Works entered into a patent exploitation treaty with the only American manufacturer of competing machinery, Leesona Corporation. This treaty of March 31, 1964, terminated vigorous litigation then pending simultaneously in South Carolina and Massachusetts and guaranteed forever after that the parties would not attack each other while they both asserted their patent claims against the throwsters in this country. Thus, litigation which might have determined the validity and enforceability of some of these patents as early as 1964 was abated." (334 F. Supp. at 708).

development of which they gave neither their time, nor their financial support". In substance, the order denies access to papers in the custody of the Clerk of the South Carolina Court and directs that Celanese and FII may "negotiate" with counsel for South Carolina parties "for such information as counsel may possess" *but only* if petitioners first post with the Clerk of the Court surety bond in the "penal sum" of $50,000.00 as security for payment of punitive sums to be assessed by the court at an unspecified later time.

Celanese and FII posted the required penal bond on February 5, 1973, carefully specifying as follows:

> "Now therefore, the conditions of this obligation are such that this bond is executed without waiver or compromise of any right the said principals may have. . . ."

Thereupon, "negotiations" were had with counsel for parties opposing the patents in Civil Action 71-306. These negotiations were wholly unsatisfactory because counsel refused to permit preliminary inspection of the documents but would agree only to furnish copies of records on an "all or nothing basis." In addition, counsel refused to negotiate about the actual cost of copying, insisting that even this must be determined by Judge Hemphill.

Meanwhile, Judge Hemphill on February 14, 1973, during a session at which one of Celanese and FII counsel was present in the court as an observer, emphasized his intention to assess punitive sums against petitioners including at least expenses of various South Carolina parties incurred in making discovery—including expenses for attendance at their participation in depositions, expenses of filing discovery motions, etc.,—as well as court costs and expenses incurred incident to discovery motions and depositions in the South Carolina case. In so doing, Judge Hemphill again emphasized his conviction that petitioners have "no standing" in the South Carolina court.

Since the attempted negotiations could not be brought to completion in the circumstances, petitioners again applied to Judge Hemphill in a "Motion of Celanese and FII to Fix Costs" filed February 28, 1973 for an order permitting counsel to negotiate as to actual copy costs or alternatively asking that Judge Hemphill specify copy charges not in excess of the reasonable cost of copying. Though Judge Hemphill on March 5, 1973 promised in writing to "provide for a hearing here in Rock Hill, South Carolina . . . as soon as we start some continuing depositions" [12] he never did so.

Substantially concurrently, petitioners acted to protect their record in Florida by filing on February 15, 1973—the date set by Judge Atkins as the deadline for filing *all* Rule 34 requests—Rule 34 requests directed to those parties who are also parties to the South Carolina litigation, *i.e.*, Duplan, Texfi and the Burlington group. Subsequently, Judge Atkins at a pretrial hearing held March 22, 1973 announced a further deadline of December 1, 1973 for completion of pretrial discovery and a trial date of January 7, 1974. Letters dated March 26, 1973 and April 20, 1973, advising Judge Hemphill of this circumstance went unanswered, as did follow-up telephone calls seeking a hearing date on the Motion to Fix Costs.

Having no other choice, Celanese and FII on June 11, 1973 filed a further petition for writ of mandamus and prohibition No. 73-1690 in the Court of Appeals for the Fourth Circuit. The petition requested that Judge Hemphill be directed to permit petitioners free access to the South Carolina proceedings including court records and other documents, and to dissolve the penal bond, and that he be prohibited from assessing punitive sums of any nature as the alleged "cost" of furnishing copies of South

[12] These "continuing depositions" began about March 12, 1973 and have gone forward during much of the ensuing period.

Carolina documentation to petitioners. On June 19, 1973 the Court of Appeals directed an answer to the mandamus petition. Judge Hemphill's "answer" dated July 6, 1973 took the position that, petitioners being "interlopers" in South Carolina, both the original protective order and the order of January 22, 1973 were within the scope of discretion afforded the federal district courts under Rule 26(c). Judge Hemphill also argued that the question of appropriate costs should await completion of the South Carolina proceeding whereupon petitioners could appeal if dissatisfied with the award made.[13] Denial of the mandamus petition, essentially on the grounds stated in Judge Hemphill's answer, followed on July 12, 1973 (*infra*, 1a).

Subsequent efforts by petitioners in Rule 37 Motions filed in Florida against Duplan, Texfi and the Burlington group seeking production of documents generated in South Carolina have so far produced no real result. The South Carolina parties have taken the position that they are willing to produce the documents *but only* on the terms and conditions specified by Judge Hemphill. An oral hearing has been requested, but the Florida court has not yet heard the motions.

In short, petitioners are caught in a crosscurrent between the Florida and South Carolina courts. The Florida court believes it appropriate for Celanese and FII to have access to the documentary materials sought but so far has not seen fit to order such access pursuant to Rule 34 or Rule 45. The South Carolina court refuses to exercise its power as an auxiliary court to make the documentation available as a matter of right and will permit *qualified* access *only* on condition that petitioners submit to punishment.

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[13] Various others of the respondents also filed answers defending Judge Hemphill's orders as within the discretion afforded by Rule 26(c) and subject to correction on appeal.

Moreover as matters now stand even Duplan, Texfi and the Burlington group are prohibited from using the South Carolina documents in furtherance of their own case before the Florida court, as well as from producing them in Florida in response to a Rule 34 request or subpoena.

If this situation is not cured promptly, the Florida case may be forced to trial under circumstances such that significant items of relevant evidence are precluded by the orders of the South Carolina court.[11]

## REASONS FOR GRANTING THE WRIT

The decision below is in direct conflict with a substantial body of law holding that each federal district court has the duty to aid its sister courts in the search for truth in civil litigation by making available, upon the application of a party to a proceeding in another court, unprivileged documents and testimony within its jurisdiction and control. The principle is well established, having been observed for a century or more. Its preservation is vital to the proper administration of justice in the federal courts.

If allowed to stand, the decision below will have a deterrent effect upon the search for truth in civil litigation because litigants will stand in fear of being severely penalized if they endeavor to obtain nonprivileged third party testimony or documentation through resort to federal courts in districts different from those in which they are litigating. At the same time, judicial usurpation of prerogative to impose fines and penalties will be encouraged and will flourish.

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[11] So far as is known to Celanese and FII, a South Carolina trial date has not yet been set and is not expected to be, pending resolution of Appeal No. 73-1618 now awaiting decision in the Fourth Circuit of Appeals, relating to the propriety of withholding certain documents as "work product".

**Of equally vital importance is the district court's nullification of Rule 26(c)'s requirement for a showing of "good cause" as a prerequisite to the imposition of a protective order, which is in conflict with precedent from this court holding that "good cause" as utilized in former Rule 34 and present Rule 35 is no mere formality and involves a showing of substantial need.**

**A. The Conflict as to the Duty of Federal Courts to Act in Aid of Civil Litigation in Sister Courts by Compelling Testimony and Document Production**

Judge Hemphill repeatedly premised his actions either refusing the relief requested, or so qualifying the right to relief as effectively to withhold it, upon an alleged lack of standing to be heard in South Carolina.

In this, his decision is in flat conflict with *Ex parte Uppercu*, 239 U.S. 435 (1915), where a refusal to release pertinent nonprivileged depositions and exhibits on file in one civil case for use in another on grounds the petitioner was not a party to the original case was reversed, the Court stating: "The right to evidence to be obtained from an existing object does not depend upon having an interest in it, or, in a case like this, upon having an interest in the original cause, or upon the object being admissible or inadmissible in the cause for which it was prepared, or upon the right or want of right of the public to examine the thing. The necessities of litigation and the requirements of justice found a new right of a wholly different kind", 239 U.S. at 440.

To the same effect, see *Olympic Refining Co.* v. *Carter*, 332 F.2d 260 (9 Cir. 1964); *American Securit Co.* v. *Shatterproof Glass Corp.*, 20 F.R.D. 196 (D.Del. 1957).[15]

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[15] Other cases recognizing the duty of a federal court to act as an auxiliary in aid of providing evidence to a sister court in civil litigation include, *inter alia*, *Edison Electric Light Co.* v. *U.S. Electric Lighting Co.*, 44 F. 294 (C.C.S.D. N.Y. 1890); *Dowagiac*

The principle is but a part of the general and universal rule of evidence which imposes upon all citizens the duty to give nonprivileged evidence, by providing testimony or documents or both, whenever called upon to do so. See Rule 501 of the proposed uniform Federal Rules of Evidence; see also *United States* v. *Bryan*, 339 U.S. 323, 331-2 (1950); *Hurtado* v. *United States*, 410 U.S. 578 (1973).

### B. The Conflicts With Precedent Foreclosing Penalties Absent Statutory Authorization

In effect, Judge Hemphill's order creates an entire new substantive right in the South Carolina parties and, if allowed to stand, in parties analogously situated in other cases—to wit, a right to recover some unspecified part of their litigation expense from any third party who obtains access to the documentary material generated in their case.[16] No statute and no rule authorized the grant of any such substantive right. Rather, the power of federal district courts under Rule 83 to make local rules, *inter alia*, regulating the payment of, and the advancement of security for payment of, ordinary costs is "confined to matters of procedure and may not be construed in a manner which could be said to create a substantive right not otherwise authorized by law", *Adams Dairy* v. *National Dairy Products Corp.*, 293 F. Supp. 1168, 1170 (W.D. Mo. 1968), citing, *inter alia*, *Byram Concretanks, Inc.* v. *Warren Concrete Products Co.*, 374 F.2d 649 (3 Cir. 1967).[17]

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*Mfg. Co.* v. *Lochren*, 143 F. 211 (8 Cir. 1906); and *Horizons Titanium* v. *Norton Co.*, 290 F.2d 421 (1 Cir. 1961).

[16] Logically, Judge Hemphill's ruling, carried to extremity, would require litigants obtaining copies of corporate records to pay some portion of the expense of *preparing* those records.

[17] See also Moore's Federal Practice, Vol. 6, 2d ed. 1972, § 54.73, esp. at p. 1453 and 1457-8 teaching that "security for costs" being a relatively small matter has been treated both before and after

So understood, the decision below is in direct conflict with the cases which preclude imposition of punitive fines and penalties, including attorney's fees, absent express statutory authorization including *Fleischman* v. *Maier Brewing Co.*, 386 U.S. 714 (1967); *McClure* v. *Borne Chemical Co.*, 292 F.2d 824 (3 Cir. 1961); *Baca* v. *Commissioner of Internal Revenue*, 326 F.2d 189 (5th Cir. 1964); *Acker* v. *Commissioner of Internal Revenue*, 258 F.2d 568 (6 Cir. 1958); and *Byram Concretanks*, *supra*.[18]

### C. The Conflict as to "Good Cause"

Rule 26(c) specifies conditions precedent to the entry of a protective order. Specifically, such orders may be entered only "[u]pon motion by a party or by the person from whom discovery is sought, and for *good cause* shown".

In this case, *no* motion for a protective order was made either initially when Judge Hemphill entered his *sua sponte* blanket protective order early in the South Carolina case or later at the time of the hearing on petitioners' application for access to the South Carolina documents.

Nor was any showing of "good cause" advanced by anyone, including Judge Hemphill. Thus the decision below constitutes an effective nullification of the specific requirements of Rule 26(c), substituting instead a blanket discretion in the district court to enter protective orders

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the Federal Rules "as a procedural matter involving judicial administration" in civil cases. It is not even open to argument, however, that a penal bond "in the penal sum of $50,000" is of a *de minimus* and hence procedural character.

[18] The bond required by Judge Hemphill being executed solely by authority of a ruling made in excess of his prerogative, to secure a right to which petitioners are entitled under *Upperco*, *supra*, and related cases was executed without consideration and is void. See, *e.g.*, *United States* v. *Simpkins*, 313 1045, 1048 (E.D. Tex. 1970).

whenever it may happen to suit the convenience of the court.

This Court in *Schlagenhauf* v. *Holder*, 379 U.S. 104 (1964), considered with care the "good cause" requirement of Rule 35 and the predecessor to present Rule 34 and concluded as to both, consonant with earlier decisions of the federal appellate courts, "that . . . [the] good cause requirement is not a mere formality but is a plainly expressed limitation on the use of" those rules. As this Court said, good cause requirements "are not met by mere conclusory allegations of the pleadings . . . but require an affirmative showing by the movant" of essential *need* for the action sought.

Rule 26(c) in its present form having been adopted *after* "good cause" was extensively construed in the *Schlagenhauf* case, its good cause requirement may not be dismissed as a mere triviality or formality—and it follows that Judge Hemphill's actions, in conflict with *Schlagenhauf*, constitute a usurpation of prerogative rather than an exercise of permissible discretion.

### D. Other Considerations

*A fortiori*, the decision below is in conflict with a substantial body of precedent from this Court including *Uppercu*, *supra*, *Schlagenhauf*, *supra*, and *Will* v. *United States*, 389 U.S. 90 (1967), which hold in essence that mandamus is a proper means of policing compliance with the procedural rules adopted by this Court for civil cases. The court below evaded this principle by attaching the misnomer "dicretion" to the usurpation of prerogative in which Judge Hemphill indulged. The writ should issue in view of the substantial conflict thus presented.

The writ should also issue in this particular case—a multidistrict case already acknowledged by the Ju-

dicial Panel on Multidistrict Litigation to be "unusual" and important to "commerce in the very important double knit yarn . . . industry" (note 1, p. —, *supra*)— in order to insure that the Florida court has full access to all of the relevant evidence now available only to the South Carolina court. As matters now stand, the Florida court is reluctant to enter an order which might be construed as overruling its sister court in South Carolina while the South Carolina court firmly adheres to the restrictive decision its court of appeals so far has refused to disturb. Petitioners, being caught in the middle, have no really effective remedy if this Court does not act. Indeed, the situation is analogous to that which faced this Court in *Hoffman* v. *Blaski*, 363 U.S. 335, 345 (1960); see also in this connection, *Natta* v. *Zletz*, 379 F.2d 615, 618 (7 Cir. 1967). Issuance of the writ would readily resolve the impasse between the Florida and South Carolina courts as to whether the South Carolina documents will be available for unrestricted use in the Florida case.

## CONCLUSION

The petition for writ of certiorari should be granted.

MARY HELEN SEARS
EDWARD S. IRONS
IRONS, SEARS & SANTORELLI
1801 K Street, N. W.
Washington, D. C. 20006

*Attorneys for Petitioners*

## APPENDIX

## ORDER

(Filed July 12, 1973)

Upon consideration of the petition of Celanese Corporation and Fiber Industries, Inc. for a writ of mandamus and prohibition, and the responses thereto;

It appearing to the court that the district court did not abuse its discretion in placing the conditions upon the petitioners' access to certain documents; and it further appearing to the court that after the district court determines costs, an appeal will afford the petitioners an adequate remedy if they are dissatisfied with the costs assessed against them;

Whereupon, with the concurrence of Judge Field and Judge Widener,

It is ADJUDGED and ORDERED that the petition for a writ of mandamus and prohibition is denied.

## ORDER

(Filed January 23, 1973)

Petitioners, who are not parties to the Consolidated Civil Action, which is a multi-district combination of anti-trust and patent actions in which a number of law suits are consolidated, and have been assigned to the district courts of South Carolina, pleads to have access to the records in the case. Petitioners claim to be parties in similar litigation now pending in the Southern District of Florida, the exact nature of which the court has neither the time, nor the curiosity, to ascertain. Suffice it to say, for the purposes of this motion, Petitioners have taken up the valuable time of this court, away from the ordinary business pending in the District of South Carolina, in an effort to scavenge information in the process of development of which they gave neither their time, nor their financial support. After this court had initially refused to entertain their petition because they are not parties to the action, nor have they attempted to intervene, Petitioners repaired to the United States Court of Appeals for the Fourth Circuit, in the high hope of mandamusing this court into a delay of this consolidated action (which has been pending for months, and has already taken up more than 100 days of the time of one single judge), which mandamus was for this court to make available the records, not yet made public, and the information obtained in discovery processes, particularly in the depositions which this court has been hearing in an effort to speed up this litigation, and asked to delay certain depositions which were scheduled to take place in Paris, France (and which have been taken, and the testimony transcribed), and otherwise participate, despite the fact they are not parties to the action, and, in the opinion of this court, have no standing in this court in this action.

Insofar as the official records, now in the hands of the Clerk of this Court, are concerned, except for the pleadings, and the published orders of this court, the Petitioners are denied access to the depositions, and other discovery, until such time as the case has been called for trial. This court, with a very heavy docket, and limited personnel in the Clerk's Office could be seriously hampered in the processing of this consolidated litigation if the confusion which would probably erupt, did erupt, if the Petitioners were allowed access to the files, with the harassment of the office of Clerk of this Court, and its personnel, which would inevitably follow.

After a hearing held in this matter on December 7, 1972, counsel for Petitioners made the following statement:

> MR. IRONS: I understand completely. The other way, or another way, the second way in which this type of information frequently can be obtained is through professional courtesy or cooperation of counsel involved in the suit. Now, that avenue of approach also seems to be unavailable to Celanese and Fibre Industries, Inc. in this case, and my understanding of the reason why is outstanding orders, written or oral or both of this court, which preclude either access to the court records, or which suggests that counsel should not make those same records available to us. We need these records in the prosecution of our litigation. Many of the lawyers that are in the case are also in this case, and they have that information available to them. I don't.
>
> I am quite willing to accept any kind of program which will minimize, or, perhaps, eliminate any significant interference with the progress of the case here before your Honor. I feel that if these protective orders in whatever form they may take could be modified in such a way as I have suggested in my papers to permit me and the lawyers associated

> with me in my office in the first instance to examine these records, that a substantial part of the volume of material would probably or mostly be eliminated. We would want to use it only for the purpose of prosecuting our case in Florida. I have suggested that in letters to counsel, and they have written back and said that they felt it inappropriate to enter into any stipulated agreement that your Honor should decide in the matter.

In the course of conducting the depositions in this case, this court has frequently asked counsel if some of the pursuit was not for the purposes of other litigation. Counsel have consistently assured this court that such was not the case, as this court had no intention of tolerating the use of the processes of this court to obtain information about another case, unless all the parties in that case were represented or notified. This is only fair and just.

Counsel for various parties have indicated that they have no objection to Petitioners obtaining information from those counsel who have participated in this case. Therefore the Petitioners are given this permission.

Petitioners have indicated they are willing to pay any necessary costs which may be calculated. If this is so, and Petitioners still desire to obtain the information, and remove the protective order which this court orally placed on all its depositions in the hands of the various counsel in this consolidated case, Petitioners will post with the Clerk of this Court a surety bond, in the penal sum of $50,000.00, conditioned upon their payment of such sums, to such parties, and/or the court, as the Court may determine as appropriate in view of the fact that the Petitioners have borne no expense, made no arrangements, and suffered none of the difficulties of getting to and from the depositions, and furnishing counsel to examine. One of the conditions of the bond shall be that they sub-

ject themselves to the jurisdiction of this court for the purposes of determining any amounts due, after an appropriate hearing thereon and thereabout.

If Petitioners are willing to comply with the conditions of this order as above set forth, they shall file the bond, and proceed to negotiate with the various counsel for such information as counsel may process. Petitioners are not to obtain any of the discovery material from the Office of the Clerk of Court in Greenville or Columbia.

AND IT IS SO ORDERED.

(Signed) Robert W. Hemphill
District Judge

## 28 U.S.C. 1651

(a) The Supreme Court and all courts established by Act of Congress may issue all writs necessary or appropriate in aid of their respective jurisdictions and agreeable to the usages and principles of law.

(b) An alternative writ or rule nisi may be issued by a justice or judge of a court which has jurisdiction. June 25, 1948, c. 646, 62 Stat. 944; May 24, 1949, c. 139, § 90, 63 Stat. 102.

## FEDERAL RULES OF CIVIL PROCEDURE

### RULE 26

(a) DISCOVERY METHODS. Parties may obtain discovery by one or more of the following methods: depositions upon oral examination or written questions; written interrogatories; production of documents or things or permission to enter upon land or other property, for inspection and other purposes; physical and mental examinations; and requests for admission. Unless the court orders otherwise under subdivision (c) of this rule, the frequency of use of these methods is not limited.

(b) SCOPE OF DISCOVERY. Unless otherwise limited by order of the court in accordance with these rules, the scope of discovery is as follows:

(1) *In general.* Parties may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action, whether it relates to the claim or defense of the party seeking discovery or to the claim or defense of any other party, including the existence, description, nature, custody, condition and location of any books, documents, or other tangible things and the identity and location of persons having knowledge of any discoverable matter. It is not ground for objection that the information sought will be inadmissible at the trial if the information sought ap-

pears reasonably calculated to lead to the discovery of admissible evidence.

(2) *Insurance agreements.* A party may obtain discovery of the existence and contents of any insurance agreement under which any person carrying on an insurance business may be liable to satisfy part or all of a judgment wich may be entered in the action or to indemnify or reimburse for payments made to satisfy the judgment. Information concerning the insurance agreement is not by reason of disclosure admissible in evidence at trial. For purposes of this paragraph, an application for insurance shall not be treated as part of an insurance agreement.

(3) *Trial preparation: Materials.* Subject to the provisions of subdivision (b) (4) of this rule, a party may obtain discovery of documents and tangible things otherwise discoverable under subdivision (b) (1) of this rule and prepared in anticipation of litigation or for trial by or for another party or by or for that other party's representative (including his attorney, consultant, surety, indemnitor, insurer, or agent) only upon a showing that the party seeking discovery has substantial need of the materials in the preparation of his case and that he is unable without undue hardship to obtain the substantial equivalent of the materials by other means. In ordering discovery of such materials when the required showing has been made, the court shall protect against disclosure of the mental impressions, conclusions, opinions, or legal theories of an attorney or other representative of a party concerning the litigation.

A party may obtain without the required showing a statement concerning the action or its subject matter previously made by that party. Upon request, a person not a party may obtain without the required showing a statement concerning the action or its subject matter

previously made by that person. If the request is refused, the person may move for a court order. The provisions of Rule 37(a)(4) apply to the award of expenses incurred in relation to the motion. For purposes of this paragraph, a statement previously made is (A) a written statement signed or otherwise adopted or approved by the person making it, or (B) a stenographic, mechanical, electrical, or other recording, or a transcription thereof, which is a substantially verbatim recital of an oral statement by the person making it and contemporaneously recorded.

(4) *Trial preparation: Experts.* Discovery of facts known and opinions held by experts, otherwise discoverable under the provisions of subdivision (b)(1) of this rule and acquired or developed in anticipation of litigation or for trial, may be obtained only as follows:

(A) (i) A party may through interrogatories require any other party to identify each person whom the other party expects to call as an expert witness at trial, to state the subject matter on which the expert is expected to testify, and to state the substance of the facts and opinions to which the expert is expected to testify and a summary of the grounds for each opinion. (ii) Upon motion, the court may order further discovery by other means, subject to such restrictions as to scope and such provisions, pursuant to subdivision (b)(4)(C) of this rule, concerning fees and expenses as the court may deem appropriate.

(B) A party may discover facts known or opinions held by an expert who has been retained or specially employed by another party in anticipation of litigation or preparation for trial and who is not expected to be called as a witness at trial, only as provided in Rule 35(b) or upon a showing of exceptional circumstances under which it is impracticable for the party seeking discovery

to obtain facts or opinions on the same subject by other means.

(C) Unless manifest injustice would result, (i) the court shall require that the party seeking discovery pay the expert a reasonable fee for time spent in responding to discovery under subdivisions (b) (4) (A) (ii) and (b) (4) (B) of this rule; and (ii) with respect to discovery obtained under subdivision (b) (4) (A) (ii) of this rule the court may require, and with respect to discovery obtained under subdivision (b) (4) (B) of this rule the court shall require, the party seeking discovery to pay the other party a fair portion of the fees and expenses reasonably incurred by the latter party in obtaining facts and opinions from the expert.

(c) PROTECTIVE ORDERS. Upon motion by a party or by the person from whom discovery is sought, and for good cause shown, the court in which the action is pending or alternatively, on matters relating to a deposition, the court in the district where the deposition is to be taken may make any order which justice requires to protect a party or person from annoyance, embarrassment, oppression, or undue burden or expense, including one or more of the following: (1) that the discovery not be had; (2) that the discovery may be had only on specified terms and conditions, including a designation of the time or place; (3) that the discovery may be had only by a method of discovery other than that selected by the party seeking discovery; (4) that certain matters not be inquired into, or that the scope of the discovery be limited to certain matters; (5) that discovery be conducted with no one present except persons designated by the court; (6) that a deposition after being sealed be opened only by order of the court; (7) that a trade secret or other confidential research, development, or commercial information not be disclosed or be disclosed only in a designated way; (8) that the parties simul-

taneously file specified documents or information enclosed in sealed envelopes to be opened as directed by the court.

If the motion for a protective order is denied in whole or in part, the court may, on such terms and conditions as are just, order that any party or person provide or permit discovery. The provisions of Rule 37(a) (4) apply to the award of expenses incurred in relation to the motion.

(d) SEQUENCE AND TIMING OF DISCOVERY. Unless the court upon motion, for the convenience of parties and witnesses and in the interests of justice, orders otherwise, methods of discovery may be used in any sequence and the fact that a party is conducting discovery, whether by deposition or otherwise, shall not operate to delay any other party's discovery.

(e) SUPPLEMENTATION OF RESPONSES. A party who has responded to a request for discovery with a response that was complete when made is under no duty to supplement his response to include information thereafter acquired, except as follows:

(1) A party is under a duty seasonably to supplement his response with respect to any question directly addressed to (A) the identity and location of persons having knowledge of discoverable matters, and (B) the identity of each person expected to be called as an expert witness at trial, the subject matter on which he is expected to testify, and the substance of his testimony.

(2) A party is under a duty seasonably to amend a prior response if he obtains information upon the basis of which (A) he knows that the response was incorrect when made, or (B) he knows that the response though correct when made is no longer true and the circum-

stances are such that a failure to amend the response is in substance a knowing concealment.

(3) A duty to supplement responses may be imposed by order of the court, agreement of the parties, or at any time prior to trial through new requests for supplementation of prior responses.

As amended Dec. 27, 1946, eff. March 19, 1948; Jan. 21, 1963, eff. July 1, 1963; Feb. 28, 1966, eff. July 1, 1966; March 30, 1970, eff. July 1, .1970.[1]

## RULE 30

(a) WHEN DEPOSITIONS MAY BE TAKEN. After commencement of the action, any party may take the testimony of any person, including a party, by deposition upon oral examination. Leave of court, granted with or without notice, must be obtained only if the plaintiff seeks to take a deposition prior to the expiration of 30 days after service of the summons and complaint upon any defendant or service made under Rule 4(e), except that leave is not required (1) if a defendant has served a notice of taking deposition or otherwise sought discovery, or (2) if special notice is given as provided in subdivision (b) (2) of this rule. The attendance of witnesses may be compelled by subpoena as provided in Rule 45. The deposition of a person confined in prison may be taken only by leave of court on such terms as the court prescribes.

(b) NOTICE OF EXAMINATION: GENERAL REQUIREMENTS; SPECIAL NOTICE; NON-STENOGRAPHIC RECORDING; PRODUCTION OF DOCUMENTS AND THINGS; DEPOSITION OF ORGANIZATION.

(1) A party desiring to take the deposition of any person upon oral examination shall give reasonable notice in writing to every other party to the action. The

notice shall state the time and place for taking the deposition and the name and address of each person to be examined, if known, and, if the name is not known, a general description sufficient to identify him or the particular class or group to which he belongs. If a subpoena duces tecum is to be served on the person to be examined, the designation of the materials to be produced as set forth in the subpoena shall be attached to or included in the notice.

(2) Leave of court is not required for the taking of a deposition by plaintiff if the notice (A) states that the person to be examined is about to go out of the district where the action is pending and more than 100 miles from the place of trial, or is about to go out of the United States, or is bound on a voyage to sea, and will be unavailable for examination unless his deposition is taken before expiration of the 30-day period, and (B) sets forth facts to support the statement. The plaintiff's attorney shall sign the notice, and his signature constitutes a certification by him that to the best of his knowledge, information, and belief the statement and supporting facts are true. The sanctions provided by Rule 11 are applicable to the certification.

If a party shows that when he was served with notice under this subdivision (b) (2) he was unable through the exercise of diligence to obtain counsel to represent him at the taking of the deposition, the deposition may not be used against him.

(3) The court may for cause shown enlarge or shorten the time for taking the deposition.

(4) The court may upon motion order that the testimony at a deposition be recorded by other than stenographic means, in which event the order shall designate the manner of recording, preserving, and filing the deposition, and may include other provisions to assure

that the recorded testimony will be accurate and trustworthy. If the order is made, a party may nevertheless arrange to have a stenographic transcription made at his own expense.

(5) The notice to a party deponent may be accompanied by a request made in compliance with Rule 34 for the production of documents and tangible things at the taking of the deposition. The procedure of Rule 34 shall apply to the request.

(6) A party may in his notice name as the deponent a public or private corporation or a partnership or association or governmental agency and designate with reasonable particularity the matters on which examination is requested. The organization so named shall designate one or more officers, directors, or managing agents, or other persons who consent to testify on its behalf, and may set forth, for each person designated, the matters on which he will testify. The persons so designated shall testify as to matters known or reasonably available to the organization. This subdivision (b) (6) does not preclude taking a deposition by any other procedure authorized in these rules.

(c) EXAMINATION AND CROSS-EXAMINATION; RECORD OF EXAMINATION; OATH; OBJECTIONS. Examination and cross-examination of witnesses may proceed as permitted at the trial under the provisions of Rule 43(b). The officer before whom the deposition is to be taken shall put the witness on oath and shall personally, or by someone acting under his direction and in his presence, record the testimony of the witness. The testimony shall be taken stenographically or recorded by any other means ordered in accordance with subdivision (b) (4) of this rule. If requested by one of the parties, the testimony shall be transcribed.

All objections made at time of the examination to the qualifications of the officer taking the deposition, or to the manner of taking it, or to the evidence presented, or to the conduct of any party, and any other objection to the proceedings, shall be noted by the officer upon the deposition. Evidence objected to shall be taken subject to the objections. In lieu of participating in the oral examination, parties may serve written questions in a sealed envelope on the party taking the deposition and he shall transmit them to the officer, who shall propound them to the witness and record the answers verbatim.

(d) MOTION TO TERMINATE OR LIMIT EXAMINATION. At any time during the taking of the deposition, on motion of a party or of the deponent and upon a showing that the examination is being conducted in bad faith or in such manner as unreasonably to annoy, embarrass, or oppress the deponent or party, the court in which the action is pending or the court in the district where the deposition is being taken may order the officer conducting the examination to cease forthwith from taking the deposition, or may limit the scope and manner of the taking of the deposition as provided in Rule 26(c). If the order made terminates the examination, it shall be resumed thereafter only upon the order of the court in which the action is pending. Upon demand of the objecting party or deponent, the taking of the deposition shall be suspended for the time necessary to make a motion for an order. The provisions of Rule 37(a) (4) apply to the award of expenses incurred in relation to the motion.

(e) SUBMISSION TO WITNESS; CHANGES; SIGNING. When the testimony is fully transcribed the deposition shall be submitted to the witness for examination and shall be read to or by him, unless such examination and reading are waived by the witness and by the parties. Any changes in form or substance which the witness

desires to make shall be entered upon the deposition by the officer with a statement of the reasons given by the witness for making them. The deposition shall then be signed by the witness, unless the parties by stipulation waive the signing or the witness is ill or cannot be found or refuses to sign. If the deposition is not signed by the witness within 30 days of its submission to him, the officer shall sign it and state on the record the fact of the waiver or of the illness or absence of the witness or the fact of the refusal to sign together with the reason, if any, given therefor; and the deposition may then be used as fully as though signed unless on a motion to suppress under Rule 32(d)(4) the court holds that the reasons given for the refusal to sign require rejection of the deposition in whole or in part.

(f) CERTIFICATION AND FILING BY OFFICER; EXHIBITS; COPIES; NOTICE OF FILING. (1) The officer shall certify on the deposition that the witness was duly sworn by him and that the deposition is a true record of the testimony given by the witness. He shall then securely seal the deposition in an envelope indorsed with the title of the action and marked "Deposition of [here insert name of witness]" and shall promptly file it with the court in which the action is pending or send it by registered or certified mail to the clerk thereof for filing.

Documents and things produced for inspection during the examination of the witness, shall, upon the request of a party, be marked for identification and annexed to and returned with the deposition, and may be inspected and copied by any party, except that (A) the person producing the materials may substitute copies to be marked for identification, if he affords to all parties fair opportunity to verify the copies by comparison with the originals, and (B) if the person producing the materials requests their return, the officer shall mark them, give each party an opportunity to inspect and copy them,

and return them to the person producing them, and the materials may then be used in the same manner as if annexed to and returned with the deposition. Any party may move for an order that the original be annexed to and returned with the deposition to the court, pending final disposition of the case.

(2) Upon payment of reasonable charges therefor, the officer shall furnish a copy of the deposition to any party or to the deponent.

(3) The party taking the deposition shall give prompt notice of his filing to all other parties.

(g) FAILURE TO ATTEND OR TO SERVE SUBPONEA; EXPENSES.

(1) If the party giving the notice of the taking of a deposition fails to attend and proceed therewith and another party attends in person or by attorney pursuant to the notice, the court may order the party giving the notice to pay to such other party the reasonable expenses incurred by him and his attorney in attending, including reasonable attorney's fees.

(2) If the party giving the notice of the taking of a deposition of a witness fails to serve a subponena upon him and the witness because of such failure does not attend, and if another party attends in person or by attorney because he expects the deposition of that witness to be taken, the court may order the party giving the notice to pay to such other party the reasonable expenses incurred by him and his attorney in attending, including reasonable attorney's fees.

As amended Jan. 21, 1963, eff. July 1, 1963;[1] March 30, 1970, eff. July 1, 1970.[2]

## RULE 34

(a) SCOPE. Any party may serve on any other party a request (1) to produce and permit the party making the request, or someone acting on his behalf, to inspect and copy, any designated documents (including writings, drawings, graphs, charts, photographs, phono-records, and other data compilations from which information can be obtained, translated, if necessary, by the respondent through detection devices into reasonably usable form), or to inspect and copy, test, or sample any tangible things which constitute or contain matters within the scope of Rule 26(b) and which are in the possession, custody or control of the party upon whom the request is served; or (2) to permit entry upon designated land or other property in the possession or control of the party upon whom the request is served for the purpose of inspection and measuring, surveying, photographing, testing, or sampling the property or any designated object or operation thereon, within the scope of Rule 26(b).

(b) PROCEDURE. The request may, without leave of court, be served upon the plaintiff after commencement of the action and upon any other party with or after service of the summons and complaint upon that party. The request shall set forth the items to be inspected either by individual item or by category, and describe each item and category with reasonable particularity. The request shall specify a reasonable time, place, and manner of making the inspection and performing the related acts.

The party upon whom the request is served shall serve a written response within 30 days after the service of the request, except that a defendant may serve a response within 45 days after service of the summons and complaint upon that defendant. The court may allow a shorter or longer time. The response shall state, with

respect to each item or category, that inspection and related activities will be permitted as requested, unless the request is objected to, in which event the reasons for objection shall be stated. If objection is made to part of an item or category, the part shall be specified. The party submitting the request may move for an order under Rule 37(a) with respect to any objection to or other failure to respond to the request or any part thereof, or any failure to permit inspection as requested.

(c) PERSONS NOT PARTIES. This rule does not preclude an independent action against a person not a party for production of documents and things and permission to enter upon land.

As amended Dec. 27, 1946, eff. March 19th, 1948;[1] March 30, 1970, eff. July 1, 1970.[2]

## RULE 45

(a) FOR ATTENDANCE OF WITNESSES; FORM; ISSUANCE. Every subpoena shall be issued by the clerk under the seal of the court, shall state the name of the court and the title of the action, and shall command each person to whom it is directed to attend and give testimony at a time and place therein specified. The clerk shall issue a subpoena, or a subpoena for the production of documentary evidence, signed and sealed but otherwise in blank, to a party requesting it, who shall fill it in before service.

(b) FOR PRODUCTION OF DOCUMENTARY EVIDENCE. A subpoena may also command the person to whom it is directed to produce the books, papers, documents, or tangible things designated therein; but the court, upon motion made promptly and in any event at or before the time specified in the subpoena for compliance therewith, may (1) quash or modify the subpoena if it is unreasonable and oppressive or (2) condition denial of the motion

upon the advancement by the person in whose behalf the subpoena is issued of the reasonable cost of producing the books, papers, documents, or tangible things.

(c) SERVICE. A subpoena may be served by the marshal, by his deputy, or by any other person who is not a party and is not less than 18 years of age. Service of a subpoena upon a person named therein shall be made by delivering a copy thereof to such person and by tendering to him the fees for one day's attendance and the mileage allowed by law. When the subpoena is issued on behalf of the United States or an officer or agency thereof, fees and mileage need not be tendered.

(d) SUBPOENA FOR TAKING DEPOSITIONS; PLACE OF EXAMINATION. (1) Proof of service of a notice to take a deposition as provided in Rules 30(b) and 31(a) constitutes a sufficient authoriaztion for the issuance by the clerk of the district court for the district in which the deposition is to be taken of subpoenas for the persons named or described therein. The subpoena may command the person to whom it is directed to produce and permit inspection and copying of designated books, papers, documents, or tangible things which constitute or contain matters within the scope of the examination permitted by Rule 26(b), but in that event the subpoena will be subject to the provisions of Rule 26(c) and subdivision (b) of this rule.

The person to whom the subpoena is directed may, within 10 days after the service thereof or on or before the time specified in the subpoena for compliance if such time is less than 10 days after service, serve upon the attorney designated in the subpoena written objection to inspection or copying of any or all of the designated materials. If objection is made, the party serving the subpoena shall not be entitled to inspect and copy the materials except pursuant to an order of the court from which the subpoena was issued. The party serving the subpoena

may, if objection has been made, move upon notice to the deponent for an order at any time before or during the taking of the deposition.

(e) SUBPOENA FOR A HEARING OR TRIAL. (1) At the request of any party subpoenas for attendance at a hearing or trial shall be issued by the clerk of the district court for the district in which the hearing or trial is held. A subpoena requiring the attendance of a witness at hearing or trial may be served at any place within the district, or at any place without the district that is within 100 miles of the place of the hearing or trial specified in the subpoena; and, when a statute of the United States provides therefor, the court upon proper application and cause shown may authorize the service of a subpoena at any other place.

(2) A subpoena directed to a witness in a foreign country shall issue under the circumstances and in the manner and be served as provided in Title 28, U.S.C. § 1783.

(f) CONTEMPT. Failure by any person without adequate excuse to obey a subpoena served upon him may be deemed a contempt of the court from which the subpoena issued. As amended Dec. 27, 1946, eff. March 19, 1948; Dec. 29, 1948, eff. Oct. 20, 1949; March 30, 1970, eff. July 1, 1970.

## RULE 83

Each district court by action of a majority of the judges thereof may from time to time make and amend rules governing its practice not inconsistent with these rules. Copies of rules and amendments so made by any district court shall upon their promulgation be furnished to the Supreme Court of the United States. In all cases not provided for by rule, the district courts may regulate their practice in any manner not inconsistent with these rules.

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IN THE

# Supreme Court of the United States

October Term, 1973

**No. 73-633**

CELANESE CORPORATION AND FIBER INDUSTRIES, INC.,

*Petitioners,*

*v.*

THE HONORABLE ROBERT W. HEMPHILL, DISTRICT JUDGE,

*Respondent.*

ON PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

## BRIEF IN OPPOSITION

GRANVILLE M. BRUMBAUGH
JAMES N. BUCKNER
BRUMBAUGH, GRAVES, DONOHUE & RAYMOND
*Attorneys for Ateliers Roannais de Constructions Textiles*
30 Rockefeller Plaza
New York, New York 10020
(212) 489-3300

IN THE

# Supreme Court of the United States

October Term, 1973

No. 73-633

CELANESE CORPORATION AND FIBER INDUSTRIES, INC.,
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*v.*

THE HONORABLE ROBERT W. HEMPHILL, DISTRICT JUDGE,
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ON PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

## BRIEF IN OPPOSITION

There are no special or important reasons why the writ prayed for in this case should be granted.

The District Court has permitted petitioners to have access to the documents they seek upon conditions which the Court of Appeals has found to be within the lower Court's discretion to impose. Petitioners have complied with these conditions and even now are inspecting such documents. In denying the writ of mandamus and prohibi-

tion, the Court of Appeals observed that if petitioners are dissatisfied with any costs assessed against them after completion of the inspection, an appeal will afford them an adequate remedy.

In view of the foregoing, petitioners' attempt to have the District Court's order reviewed at this stage of the proceedings seems clearly inappropriate.

## Conclusion

**The petition for writ of certiorari should be denied.**

Respectfully submitted,

GRANVILLE M. BRUMBAUGH
JAMES N. BUCKNER
BRUMBAUGH, GRAVES, DONOHUE & RAYMOND
*Attorneys for Ateliers Roannais de Constructions Textiles*
30 Rockefeller Plaza
New York, New York 10020
(212) 489-3300

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IN THE

# Supreme Court of the United States

OCTOBER TERM, 1973

No. 73-633

CELANESE CORPORATION AND FIBER INDUSTRIES, INC.,
*Petitioners,*

v.

THE HONORABLE ROBERT W. HEMPHILL, DISTRICT JUDGE,
*Respondent*

## BRIEF BY THE DUPLAN CORPORATION, ET AL, IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

FLETCHER C. MANN
LEATHERWOOD, WALKER, TODD, & MANN
217 East Coffee Street
Greenville, South Carolina 29602

O. G. CALHOUN
HAYNSWORTH, PERRY, BRYANT, MARION & JOHNSTONE
Post Office Box 2048
Greenville, South Carolina 29602

EDWARD P. PERRIN
PERRIN, PERRIN & MANN
Post Office Drawer 526
Spartanburg, South Carolina 29301
*Attorneys for The Duplan Corporation, et al*

IN THE

# Supreme Court of the United States

OCTOBER TERM, 1973

No._____

CELANESE CORPORATION AND FIBER INDUSTRIES, INC.,
*Petitioners,*

v.

THE HONORABLE ROBERT W. HEMPHILL, DISTRICT JUDGE,
*Respondent*

## BRIEF BY THE DUPLAN CORPORATION, ET AL, IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

The Duplan Corporation, et al, submit that the "Question Presented" may be more aptly stated as follows:

### QUESTION PRESENTED

Should the extraordinary remedy of mandamus and prohibition issue against a judge of a United States District Court, due to his requirement that a non-party Petitioner submit to the jurisdiction of that Court for assessment of costs before allowing access to documents produced or generated in connection with a litigation pending in that Court, particularly when any error that might result from any assessment could be remedied by appeal?

### STATEMENT OF THE CASE

Petitioners, Celanese Corporation and Fiber Industries, Inc., herein referred to jointly as Celanese, are parties in a

number of cases consolidated by the Judicial Panel on Multidistrict Litigation for pretrial and discovery in the United States District Court for the Southern District of Florida as MDL Docket No. 82 (Florida Proceedings). Celanese is not a party to Consolidated Civil Action No. 71-306 pending in the United States District Court for the District of South Carolina (South Carolina Proceedings). The Duplan Corporation, et al, herein referred to jointly and severally as Throwsters, are parties in the latter proceedings; and several but not all of the Throwster parties in the South Carolina Proceedings are likewise parties in the Florida Proceedings.

The vast majority of the discovery proceedings in the South Carolina action, which involves the infringement and validity of some twenty-two patents (none of which are at issue in the Florida Proceedings) and related antitrust issues have been conducted in the presence of The Honorable Robert W. Hemphill, Judge of the United States District Court for the District of South Carolina. Since the inception of the South Carolina Proceedings, slightly less than four years ago, depositions have been taken of over 75 witnesses; and thousands of documents have been produced.

On July 24, 1972, Celanese filed its original petition in the South Carolina Proceedings seeking, *inter alia*, access to all unprivileged documents produced in that proceeding. Celanese was granted a hearing on December 7, 1972. After this hearing Judge Hemphill addressed the following question to all counsel, including counsel for Celanese:

(1) "In the event Celanese is allowed to obtain certain records pertaining to the subject litigation, should Celanese be taxed for part of the costs, including court costs, transcript fees, transcribers' fees, etc.?;" (A. 1a)

In its response to this question Celanese stated:

> ". . . Celanese has always fully expected to be taxed for whatever part of the costs incident the relief requested by its pending petition the court may deem reasonable in the premises." (A. 2a)

Thereupon, Judge Hemphill rendered his Order of January 22, 1973 permitting Celanese access to documents in the hands of counsel in the South Carolina Proceedings provided that Celanese post a surety bond in the penal sum of $50,000.00 conditioned upon its submission to the jurisdiction of the court and the payment of such sum as the court, after hearing, may determine appropriate (Petitioner's Brief, App. 2a).

Rather than appealing from or requesting certification of Judge Hemphill's January 22, 1973 Order, Celanese posted the requisite surety bond. Continuously since January 22, 1973 until the present, the requested documents have been offered to Celanese, initially on a non-selective basis (A. 4a), and more recently on a basis whereby Celanese would be permitted to review the documents and select for copying only those in which it is interested. (A. 7a). This latter offer has been accepted and Celanese began its review of the documents on October 22, 1973. (A. 7a).

Rather than accepting the original proffer by parties to the South Carolina Proceedings of all requested documents on a non-selective basis, Celanese, on February 28, 1973, filed a motion in those proceedings to fix costs. Before a hearing on this motion could be scheduled, Celanese petitioned the Court of Appeals for the Fourth Circuit for a Writ of Mandamus seeking to compel Judge Hemphill to permit free access to the South Carolina documents and to dissolve the surety bond that it had voluntarily posted. The petition was denied by order of the Court of Appeals of the Fourth Circuit

entered July 28, 1973 upon the grounds that the District Court did not abuse its discretion in placing conditions upon Celanese's access to the documents, and that after the District Court determines costs, an appeal would afford Celanese an adequate remedy. (Petitioner's Brief, App. 1a).

**ARGUMENT**

Even if it is assumed, *arguendo*, that Celanese has been in some manner prejudiced by Judge Hemphill's Order of January 22, 1973, Celanese's petition flies squarely in the face of the firmly established rule that mandamus may not be utilized as a substitute for appeal. Judge Hemphill's Order imposed nothing more than reasonable safeguards upon the accessibility of documents secured after four years of costly litigation. Had Celanese nevertheless been offended by the order, it need not have filed a surety bond conditioned upon its submission to the Court's jurisdiction and payment of costs. Rather, it could have taken an immediate appeal. Alternatively, having filed the bond and accepted the documents Celanese's right to appeal from any future order of the District Court, assessing costs, remains unimpaired. Celanese's petition should thus be dismissed, if for no other reason than that, as noted by the Fourth Circuit Court of Appeals, it has knowingly bypassed all other available remedies and sought to accomplish the same result through the extraordinary Writ of Mandamus (Petitioner's Brief, App. 1a).*

Manifestly Celanese has not been injured and will not be injured by the District Court's action. The relief sought by

---

*Although Celanese styles its present brief "Petition for Certiorari . . . ," it is in substance a Petition for Mandamus. It is interesting to note that Celanese has thus violated the provision of Supreme Court Rule 31(3), in that it has not "set forth with particularity why the relief sought is not available in any other court . . ." (A. 8a). Since relief is manifestly available in other courts, by alternative remedies, Celanese obviously cannot comply with the rule. See Petitioner's Brief, App. 1a.

Celanese has been granted, specifically, access to the documents. Contrary to Celanese's contention, in no way should the instant case be construed to present any issue as to the power of a Federal District Court to levy penal fines upon non-parties seeking discovery. The word, "punitive", appears nowhere in Judge Hemphill's Order of January 22, 1973. Moreover, the only instance in which the word, "penal", appears therein is with reference to the *amount* of security required, *i.e.*, the traditioned provision that the bond be "in the penal sum" of Fifty Thousand Dollars. Obviously, the Order of January 22, 1973 does not impose "punitive fines and penalties, including attorneys' fees", nor are same within the contemplation of the Order wherein it is explicitly provided that the court would, after an appropriate hearing, determine any amounts due. As expressed on December 18, 1972 to Judge Hemphill by its counsel (A. 2a), Celanese very well understood that the Order would contain some provision for taxation of reasonable costs; and Celanese's subsequent argument that the provision for a security bond is in fact "penal," is specious.

Citing little more than the existence of the Florida Proceedings, Celanese also contends that Judge Hemphill has violated his duty to assist sister tribunals in the fact-finding process. The mere chronology of events recited in Celanese's Statement of the Case (Petitioner's Brief at 3-14) reveals how Celanese has stood the facts squarely on their head. Where possible, Judge Hemphill has consistently and repeatedly assisted the Florida Proceedings, for example, by removing and modifying protective orders, by granting hearings to Celanese itself, a party in the Florida Proceedings (nevertheless a non-party in the South Carolina Proceedings), and by ordering that documents produced in the South Carolina Proceedings be made available to Celanese.

Finally, Celanese chastises Judge Hemphill's original "blanket," *sua sponte*, protective order. Since that order was modified (on Celanese's motion) long prior to February 28, 1973, the date when Celanese filed its Petition for Mandamus in the Fourth Circuit Court of Appeals, each of Celanese's contentions regarding that order are moot as well as baseless. Even if the initial protective order were at issue, an answer would lie in the proposition, too well established to require citation, that a court may do, *sua sponte*, that which it may do upon motion of a party pursuant to Rule 26 (c) Fed. R. Civ. P.

## CONCLUSION

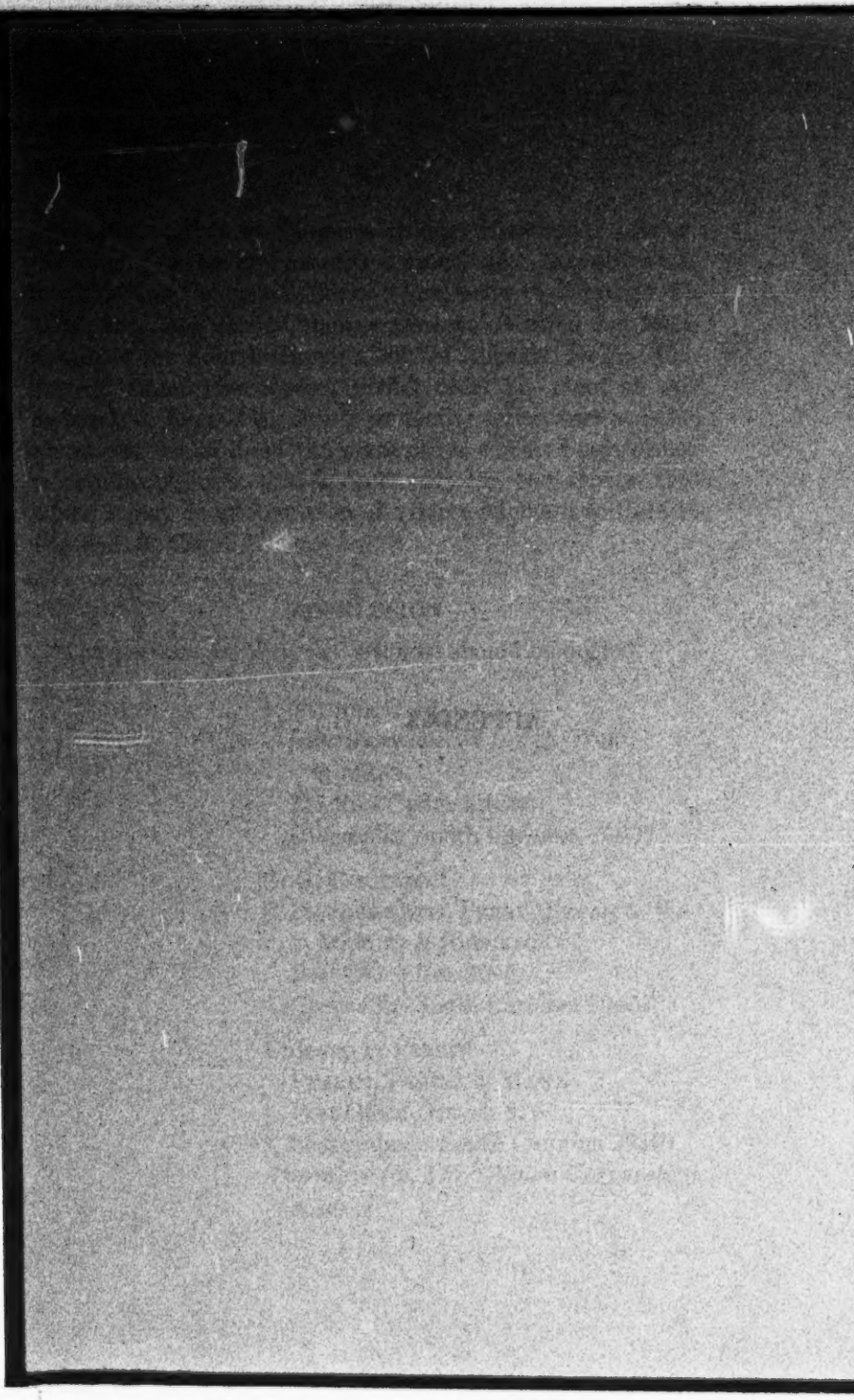
The Petition for Writ of Certiorari should be denied.

FLETCHER C. MANN
LEATHERWOOD, WALKER, TODD, & MANN
217 East Coffee Street
Greenville, South Carolina 29602

O. G. CALHOUN
HAYNSWORTH, PERRY, BRYANT, MARION & JOHNSTONE
Post Office Box 2048
Greenville, South Carolina 29602

EDWARD P. PERRIN
PERRIN, PERRIN & MANN
Post Office Drawer 526
Spartanburg, South Carolina 29301
*Attorneys for The Duplan Corporation, et al*

# APPENDIX



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DISTRICT OF SOUTH CAROLINA
GREENVILLE, S. C. 29603

POST OFFICE BOX 10250
TELEPHONE NUMBER CEDAR 3-2781

PLEASE REFER TO

December 13, 1972

Consolidated C.A. No. 71-306

Thomas A. Evins, Esq.
Jay Greenfield, Esq.
Rufus Ward, Esq.
T. T. Moore, Esq.
Fletcher C. Mann, Esq.
O. G. Calhoun, Esq.
Edward P. Perrin, Esq.
Edward S. Irons, Esq.
J. Buford Grier, Esq.

Gentlemen:

Judge Hemphill would like to be advised on the following question, relevant to the matters discussed before the court on December 7, 1972, at Rock Hill:

(1) In the event Celanese is allowed to obtain certain records pertaining to the subject litigation, should Celanese be taxed for part of the costs, including court costs, transcript fees, transcribers' fees, etc.?;

(2) If Celanese should be taxed for part of the costs, what amount would the parties consider sufficient or just;

(3) What other suggestions do the parties have as to any costs to be assessed against Celanese if the permission sought is granted.

AT THE DIRECTION OF THE COURT

/s/ EDITH D. THOMAS
Deputy Clerk

December 18, 1972

Honorable Robert W. Hemphill
United States District Judge
United States Courthouse
Rock Hill, South Carolina

Re: Consolidated C. A. 71-306

Dear Judge Hemphill:

Responding to Your Honor's inquiry of December 13th, Celanese has always fully expected to be taxed for whatever part of the costs incident the relief requested by its pending petition the Court may deem reasonable in the premises.

I believe it to be a matter of first principle that the records of any federal dstrict court should be available on reasonable terms to any member of the public and particularly to a party requiring such records to fairly *present its case* in related litigation.[1]

1. For example, it appears that Robert Leesona, retired chief executive of Leesona, had been deposed in the subject litigation on matters common to the consolidated Florida action—yet that Leesona deposition is, as of this writing, unavailable to Celanese. The deposition is needed for a further deposition of Mr. Leesona which Celanese seeks leave to take in Florida beginning January 22nd.

I accordingly again emphasize our disagreement with the suggestion expressed by D.M.R.C. and Chavanoz, and perhaps others, that we be excluded from access to materials which may be subject to any protective order outstanding in this case. Rather, as in *Olympic Refining Co. v. Carter*, 332 F. 2nd 260 (9th Cir. 1964), such protective orders, if they

exist, should be "... modified in such form as to permit access to the documents subject to reasonable restrictions as to disclosure ...", 332 F. 2nd 266.

I reiterate my prior suggestion that, in the first instance, any of the requested records that are subject to a protective order be made accessible only to me and to members of this firm for an initial screening to determine which, if any, of such materials we will wish to use affirmatively in the Florida litigation. As to the materials identified through initial screening activities, further appropriate orders will be sought and may be entered after all concerned have had appropriate opportunity to be heard. We do not seek access to records as to which legitimate claims of attorney-client privilege or work product have been sustained.

Respectfully submitted,

Edward S. Irons

ESI:bg

PARROTT, BELL, SELTZER, PARK & GIBSON
PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELLORS AT LAW
1211 EAST MOREHEAD STREET
CHARLOTTE, NORTH CAROLINA 28201

PATENT AND TRADEMARK PRACTICE

TEL. (704) 377-1961
TELEX 579-102
CABLE: CHARPAT

PLEASE REPLY TO:
P. O. DRAWER 10337

SHIRLEY L. PARROTT
PAUL B. BELL
DONALD H. SELTZER
CHARLES B. PARK, III
FLOYD A. GIBSON
SAMUEL O. LAYTON, JR.
JULIAN C. CARNES, JR.
DANIEL E. McCONNELL
JOELL T. TURNER
JOHN L. SULLIVAN, JR.
CHARLES B. ELDERKIN
W. THAD ADAMS, III
JOHN J. BARNHARDT, III
RAYMOND O. LINKER, JR.

February 16, 1973

Louis Gubinsky, Esquire
Irons, Sears & Santorelli
13 Beacon Hill Lane
Charlotte, North Carolina 28211

Re: Consolidated DMRC Cases—
District of South Carolina
Civil Action No. 71-306

Dear Louis:

This will confirm our several conversations during the past four days concerning the furnishing to the Celanese Corporation with copies of documents produced to the throwster plaintiffs in the above action, as well as copies of transcripts of all depositions taken in this action by the throwster plaintiffs. I advised you that a document depository containing all of these items is maintained in our office in Charlotte and this firm has been requested by other counsel to assume the responsibility for furnishing you copies of these materials.

I also advised you that we are constantly working with all of these documents and transcripts in preparation for further proceedings in this action, and accordingly, it would be most inconvenient and disruptive to permit someone from your firm to actually come into our office and work in these same files. However, our set-up is such that we could without too much disruption make copies for you on a nonselective basis.

As to the costs involved in furnishing you copies of these documents, I advised you that it would be presumptuous on our part to set any cost on furnishing you copies. Rather, it is our understanding from Judge Hemphill's Order and recent clarification from the bench on February 14 that the Court will set this figure after your requests have been satisfied. Accordingly, it is our intention to keep a record of all expenses and time expended by both professional and clerical personnel in fulfilling your requests and ultimately place such information in the hands of Judge Hemphill for his assessment of the costs to Celanese.

I would like to also confirm for the record that pursuant to your request on February 14, we have furnished you with a copy of the transcript of the deposition of Mr. Robert Leeson.

Finally, I wish to confirm specifically that you have instructed me to furnish no more copies to you without specific authorization. So that there may be no misunderstanding, I respectfully request that all such future authorization of this type be in writing.

Very truly yours,

/s/ CHARLES B. PARK, III

CBP:cw

cc: Honorable Robert W. Hemphill
Miller C. Foster, Jr., Clerk
All Counsel
Edward S. Irons, Esquire

PARROTT, BELL, SELTZER, PARK & GIBSON
PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELLORS AT LAW
1211 EAST MOREHEAD STREET
CHARLOTTE, NORTH CAROLINA 28201

WARLEY L. PARROTT
PAUL B. BELL
DONALD M. SELTZER
CHARLES B. PARK, III
FLOYD A. GIBSON
SAMUEL G. LAYTON, JR.
JULIAN E. CARMES, JR.
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JOHN L. SULLIVAN, JR.
CHARLES B. ELDERKIN
W. THAD ADAMS, III
JOHN J. BARNHARDT, III
RAYMOND O. LINKER, JR.

PATENT AND TRADEMARK PRACTICE

TEL. (704) 377-1961
TELEX 579-109
CABLE: CHARPAT

PLEASE REPLY TO:
P. O. DRAWER 10037

October 19, 1973

Edward S. Irons, Esquire
Irons, Sears & Santorelli
1803 K Street, N.W.
Washington, D. C. 20008

Re: Celanese Corporation and Fiber Industries, Inc. v. The Honorable Robert W. Hemphill, District Judge, Petition for Writ of Certiorari to the United States Court of Appeals for the Fourth Circuit Duplan Corporation et al v. Deering Milliken et al Consolidated Cvil Action 71-306—District of South Carolina.
In Re Yarn Processing Patent Litigation — MDL Docket No. 82 — Southern District of Florida

Dear Ed:

This will confirm our recent discussions concerning your efforts to obtain access to certain documents etc. compiled and prepared in Consolidated Civil Action 71-306, which efforts are now the subject of your above-identified Petition to the Supreme Court of the United States, and the subject of a Motion under Rule 37 against some of our clients in the MDL Docket No. 82 Florda litigation.

On page 11 of your Petition for Writ of Certiorari you allude to certain "negotiations" which were held with us in

February of 1973, and you state "These negotiations were wholly unsatisfactory because counsel refused to permit preliminary inspection of the documents but would agree only to furnish copies of records on an 'all or nothing basis.' " As you know, the position taken by us in these "negotiations" is set forth in our letter of February 16, 1973 to Mr. Louis Gubinsky of your firm, a copy of which is attached.

Since February of this year our preparation for trial in the South Carolina action has progressed to the point where it would no longer be significantly disruptive to us to permit you to inspect the documents etc. in question, and obtain copies thereof on a selective basis. Accordingly, we have offered to make available to you at our offices in Charlotte our master numerical set of the documents in question. In response to our offer you have advised that Mr. Spellman of your firm will come to our offices on Monday, October 22 to commence a review of these materials.

Very truly yours,

Charles B. Park, III

CBP:cw

Enclosure

cc: Honorable Robert W. Hemphill
Honorable C. Clyde Atkins
Miller C. Foster, Clerk—District of South Carolina
Joseph I. Bogart, Clerk—Southern District of Florida
William K. Slate, II, Clerk—
Fourth Circuit Court of Appeals
All Counsel — Consolidated Civil Action No. 71-306
All Counsel — MDL Docket No. 82

## RULES OF THE SUPREME COURT OF THE UNITED STATES

### Rule 31(3)

"If the petition seeks issuance of a writ of prohibition, a writ of mandamus, or both in the alternative, it shall set forth with particularity why the relief sought is not available in any other court, and there shall be appended to such petition a copy of the judgment or order in respect of which the writ is sought, including a copy of any opinion rendered in that connection, and such other papers as may be essential to an understanding of the petition. The petition shall follow, insofar as applicable, the form for the petition for writ of certiorari prescribed by Rule 23. The motion and petition shall be served on the judge or judges to whom the writ is sought to be directed, and shall also be served on every other party to the proceeding in respect of which relief is desired. The judge or judges, and the other parties, may, within thirty days after receipt of the motion and petition, file forty printed copies of a brief or briefs in opposition thereto, with proof of service. If the judge or judges concerned do not desire to contest the motion and petition, they may so advise the clerk and all parties by letter. All parties, other than the judge or judges, who are served pursuant to this paragraph, shall also be deemed to be respondents for all purposes in the proceeding in this court."

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IN THE

# Supreme Court of the United States

**October Term, 1973**

**No. 73-633**

CELANESE CORPORATION and FIBER INDUSTRIES, INC.,
*Petitioners,*

*v.*

THE HONORABLE ROBERT W. HEMPHILL, DISTRICT JUDGE,
*Respondent.*

**On a Petition for a Writ of Certiorari to the United States Court of Appeals for the Fourth Circuit**

## BRIEF IN OPPOSITION

JAY GREENFIELD
Attorney for *Deering Milliken Research Corporation, Moulinage et Retorderie de Chavanoz, and Deering Milliken, Inc.*
345 Park Avenue
New York, New York 10022
Tel. (212) 935-8000

BUTLER, MEANS, EVINS & BROWNE
PAUL, WEISS, RIFKIND, WHARTON & GARRISON
STEPHEN E. KING
*Of Counsel*

Dated: November 9, 1973

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IN THE

# Supreme Court of the United States

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CELANESE CORPORATION and FIBER INDUSTRIES, INC.,

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THE HONORABLE ROBERT W. HEMPHILL, DISTRICT JUDGE,

*Respondent.*

**On a Petition for a Writ of Certiorari to the United States Court of Appeals for the Fourth Circuit**

## BRIEF IN OPPOSITION

This brief is submitted by Deering Milliken Research Corporation ("DMRC"), Moulinage et Retorderie de Chavanoz ("Chavanoz"), and Deering Milliken, Inc. ("DMI") in opposition to a petition for certiorari filed by Celanese Corporation ("Celanese") and Fiber Industries, Inc. ("FII").

## Statement

Respondent, the Honorable Robert W. Hemphill, United States District Judge for the District of South Carolina, is supervising discovery in thirty-seven complex and consolidated patent-antitrust litigations to which DMRC, Chavanoz and DMI are parties (the "South Carolina action").[1]

Petitioners are not parties to the South Carolina action. They are parties to a totally different patent-antitrust action pending before the District Court for the Southern District of Florida (the "Florida action"). Nevertheless, they have applied to respondent for unfettered access to the thousands of pages of records and documents in the South Carolina action which are located in the Office of the Clerk of the District Court of South Carolina.

Respondent, in order to protect the offices of the Court and its personnel from undue burden and disruption of activity (App. 3a), would not permit petitioner's unfettered access. However, as several parties to the South Carolina action had indicated they had no objection to furnishing petitioners with the materials they requested, respondent granted them permission to obtain the required information from the willing parties.

As petitioners represented to the Court that they were willing to pay any necessary costs incident to obtaining this information, respondent, in order to insure payment by these non-parties, required them to post a $50,000 surety bond conditioned upon their payment of such sums.

---

1. *Duplan Corporation, et al.* v. *Deering Milliken, et al.* (Civ. No. 71-306).

Petitioners, dissatisfied with these reasonable requirements, filed a petition for a writ of mandamus with the Fourth Circuit Court of Appeals seeking to vacate respondent's order and requiring him to permit inspection and copying of the materials in the Court's possession.

The Fourth Circuit denied the writ, and the sole question presented by petitioners is:

Should this Court grant a writ of certiorari to review the holding below that the respondent did not abuse his discretion by permitting petitioners to inspect and copy records and documents possessed by litigants only on the condition that they post a bond to cover costs?

## ARGUMENT

The insignificant question of whether the respondent abused his discretion by requiring a litigant in the Florida action to post a bond to cover the costs of inspecting and reproducing the records and documents in the possession of parties to the South Carolina action is so frivolous that it merits neither this Court's consideration nor a lengthy discussion of the issues.

### A. Respondent did not abuse his discretion by denying petitioners access to the Court's files.

Petitioners, in total reliance upon *Ex Parte Uppercu*, 239 U.S. 915 (1915), claim that respondent must release to them all non-privileged depositions and exhibits in the South Carolina action. Such reliance is misplaced, for at the most, *Uppercu* stands for the general principle that a litigant has the right to have relevant materials produced.

Respondent's order and conduct were totally consistent with the spirit of *Uppercu* as he granted petitioners the opportunity to obtain the requested materials. Petitioners complain, however, that they should have an absolute right to invade the Court Clerk's office and rifle through thousands upon thousands of pages of depositions and other documents, despite the fact that they can obtain (and are now obtaining) these materials from the parties to the South Carolina action.

The District Court has the right, and the duty, to protect itself and its personnel from harassment, undue burden, and any acts which may disrupt the orderly processes of the Court, for:

> The official functions, powers and duties of a Federal District Judge are not confined to those which he exercises when actually sitting in the seat of judgment. There are numerous functions of an administrative or quasi judicial nature which are indispensable to the proper administration of justice in his court. * * * Indeed, a substantial, some say too substantial, part of the district judge's time must be devoted to such functions. Such functions are just as much a part of a judge's official duties as the hearing of testimony and argument, the charging of a jury, the rendition of judgment, the rendering of judicial decisions and opinions, and other acts which might be considered to be of a purely judicial nature. *Garfield* v. *Palmieri*, 193 F. Supp. 137, 143 (S.D.N.Y.), *aff'd*, 297 F.2d 526 (2d Cir. 1961), *cert. denied*, 369 U.S. 871 (1962).

Moreover,

> * * * good administration in the conservation of precious judicial resources * * * puts the initial burden on the Judge not merely to acquiesce in the procedural posture posed by the parties, but to give procedural

direction to the case to assure the fullest effectiveness in the use of resources consistent with the interests of justice. *Molnar* v. *Gulfcoast Transit Company*, 371 F.2d 639, 640 (5th Cir. 1967).

In refusing petitioners the right to obtain discovery materials from the Clerk's office when they were freely available from an alternative source, respondent acted properly, and gave petitioners access to all materials which they sought.

**B. Requiring petitioners to post a bond as a condition precedent to their inspecting and copying depositions and documents is a reasonable exercise of discretion.**

Although the desired materials have been made available to petitioners, and although they have explicitly expressed their willingness to pay for the related costs, they now object to their having to post a bond to insure their obligation.

Respondent, recognizing that petitioners are non-parties and "strangers" to the jurisdiction, properly exercised his judicial and administrative powers to insure proper payment.

While petitioners refer to this restriction upon their discovery as "penal" and "punitive," colorful labels applied by disappointed litigants do not advance an appellate court's ability to review the decision below. In fact, this precondition was reasonable and is unworthy of consideration by any appellate court.

It should be noted that while Petitioners claim that respondent's ruling *might* result in the imposition of unreasonable costs, there is no evidence before any tribunal to

indicate that this supposition is true. It can only be presumed that respondent will impose costs which are just, reasonable and consonant with the law, and until petitioners' hypothesis ripens into reality, they can have no standing to complain. For if petitioners are dissatisfied with whatever costs are assessed at some future date, their remedy is to appeal then, not mandamus now. *Bankers Life & Casualty Co.* v. *Holland,* 346 U.S. 379 (1953).

## Conclusion

The questions raised in this petition for writ of certiorari cannot conceivably rise to the level of substance and importance worthy of this Court's attention. The issues satisfy none of the requirements of Rule 19 of this Court. No petitioner should impose upon this Court to decide from whom a litigant may obtain documents from which to make copies, and at what price.

The petition for writ of certiorari should be denied.

Respectfully submitted,

JAY GREENFIELD
Attorney for *Deering Milliken Research Corporation, Moulinage et Retorderie de Chavanoz, and Deering Milliken, Inc.*
345 Park Avenue
New York, New York 10022
Tel. (212) 935-8000

BUTLER, MEANS, EVINS & BROWNE
PAUL, WEISS, RIFKIND, WHARTON & GARRISON
STEPHEN E. KING
*Of Counsel*

Dated: November 9, 1973

SUPREME COURT, U. S.

FILED

DEC 3 1973

MICHAEL RODAK, JR., CLERK

IN THE

# Supreme Court of the United States

OCTOBER TERM, 1973

No. 73-633

CELANESE CORPORATION AND FIBER INDUSTRIES, INC.,
*Petitioners,*

v.

THE HONORABLE ROBERT W. HEMPHILL, DISTRICT JUDGE,
*Respondent.*

## REPLY BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

MARY HELEN SEARS
EDWARD S. IRONS
IRONS, SEARS & SANTORELLI
1801 K Street, N.W.
Washington, D.C. 20006

*Attorneys for Petitioners*

WILSON - EPES PRINTING CO., INC. - RE 7-6002 - WASHINGTON, D. C. 20001

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*Respondent.*

---

## REPLY BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

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This petition stands unopposed by the primary respondent, a district judge whose usurpation of a prerogative not committed to him by any rule or statute, gave rise to its filing.[1] The oppositions filed by the respective opposing parties in the case before him, Duplan et al. ("Duplan") and Deering Milliken Research Corporation et al. ("DMRC") demonstrate that, like the respondent judge,

[1] The Petition is *not* for mandamus as alleged by respondent Duplan (Br. 4), but for certiorari from the Fourth Circuit's denial of mandamus. There is no contention that the Fourth Circuit exceeded its jurisdiction or failed to perform a ministerial act. Rather, the contention is that the Fourth Circuit committed grievous error of law on issues of controlling importance incident the administration of the lower federal courts and that its action ought to be reviewed under the certiorari power.

these parties can find no real justification for his excesses either in Rule 26(c) upon which the Fourth Circuit was mistakenly induced to rely[2] or elsewhere. Hence, they have been driven to rewrite the facts to postulate a situation which, though fanciful, *can* be at least superficially justified.

This reply brief is advanced to set the record straight. Specifically,

1. It is not "hypothesis" (DMRC Br. 6) or "colorful labels . . . by disappointed litigants" (DMRC Br. 5) that petitioners' access to relevant documents was conditioned by the respondent judge upon payment of punitive sums. The respondent judge himself emphasized that this was so. In his order he said (Pet. 4a) that petitioners must "post . . . a surety bond, in the *penal* sum[3] of $50,000.00, conditioned upon their payment of such sums, to such parties and/or the court, as the

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[2] See Pet. 13, 17-18. Rule 26(c) is applicable *only* "[u]pon motion by a party or by the person from whom discovery is sought, and for good cause shown"—conditions admittedly not met in this case incident either the original oral *sua sponte* blanket protective order or its "modification" of January 23, 1973 (Pet. 2a). Neither reason nor authority supports the proposition that these express conditions are void because the district courts have separate power "too well established to requite citation" to enter protective orders at will as Duplan alleges (Br. 6).

Yet grave danger exists that Rule 26(c) will continue to be misapplied by the district courts within the Fourth Circuit to justify arbitrary protective orders entered without good cause for the benefit of the courts and favored parties. See in this connection, the order (1b to 3b *infra*) of the District Court for the Middle District of North Carolina entered November 15, 1973 under cloak of Rule 26(c), quashing subpoenas to take admittedly relevant oral deposition testimony for use in the Florida case based on unverified allegations of inconvenience and upon the fact that the witness previously gave testimony in the South Carolina case.

[3] Duplan cites no authority for its assertion that this is a "traditional provision" (Br. 5). Suffice it to say that petitioners' trial counsel signing his reply brief have no confirmatory experience and could find no supporting authority even after considerable effort.

Court may determine as appropriate *in view of the fact that the Petitioners have borne no expense, made no arrangements, and suffered none of the difficulties of getting to and from the depositions, and furnishing counsel to examine.*" Similar but even more positive statements (4b to 6b *infra*) of intention by respondent to assess against petitioners a portion of expenses suffered by the South Carolina parties and the South Carolina court incident discovery in which petitioners were precluded from participating[4] appear in the transcript of February 14, 1973 which is a part of the record. Clearly, these are *not* the ordinary costs of producing and copying documents contemplated by the apposite discovery rules—and no amount of mislabelling by Duplan (Br. 4-5) and DMRC (Br. 5-6)[5] will make them so.

2. As shown by the letters reproduced *infra* (pp. 7b to 16b) petitioners do not even now have access to all of the South Carolina documentary materials sought but have been confronted on one occasion after another since inspection of some South Carolina materials was begun on October 22, 1973 with new roadblocks and impediments to their inspection and copying. See esp. pp. 7b and 16b *infra*. Hence it is *not true* that petitioners now have or have ever had, "access to all materials they sought" (DMRC Br. 4). Nor is it certain they ever will unless this Court acts.

3. The fact that the South Carolina parties, like all members of the public, now have and have always had

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[4] Indeed, a motion for leave to participate in depositions of certain French nationals and thus make the depositions admissible in MDL No. 82 was summarily rejected by the respondent judge on "lack of standing" grounds. The North Carolina order purportedly under Rule 26(c) reproduced *infra* at 1b to 3b refuses petitioners the right to take the deposition of the ARCT companies (DMRC Co-parties) through one of the same witnesses.

[5] A suggestion (*infra*, 14b) made since the Petition was filed that DMRC counsel, Mr. Greenfield, agree that DMRC will *not* seek penalities, but only reasonable copying costs has never been answered.

what DMRC calls "unfettered access" (Br. 2) to many thousands of records and documents filed with the Office of the Clerk of the Southern District of Florida incident MDL Docket No. 82 has been artfully disregarded—yet this single fact among all others casts in sharp relief the harassment, oppression and punishment to which the respondent judge has, without prerogative, subjected petitioners just for seeking rights enjoyed by every South Carolina party as a matter of course. As the Petition demonstrates (4-5), the Florida and South Carolina cases involve competing patents on the same false twist texturing subject matter and parallel antitrust claims; hence, accessibility of Florida documents to the South Carolina parties is of major importance.

The situation is aggravated by the fact that the *Florida* court has recognized the relevance of the South Carolina materials to the *Florida* case and repeatedly emphasized its desire that they be available in the Florida proceeding.[6] See also the affidavit, filed in the Florida court, of counsel who has, since October 22, 1973, been examining the available portion of the South Carolina documents (17b *infra*) verifying the relevancy of these materials to the Florida case.

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[6] The most recent expression was an order entered October 9, 1973 refusing to vacate petitioners' notice to take the deposition of the ARCT companies through their president. See notes 2 p. 2 and 4 p. 3 *supra*. The motion to vacate was premised on the fact that petitioners' discovery period in Florida ended in March 1973; it was opposed on the ground that formal efforts to take the testimony and obtain the parallel relevant documents have been going forward since at least July 1972.

## CONCLUSION

No cognizable ground for denying the petition has been advanced. The writ should be granted to resolve the scope of the district courts' power under Rule 26(c) to impose alleged protective orders and to emphasize the duty of federal district courts to aid rather than obstruct justice in sister courts.

MARY HELEN SEARS
EDWARD S. IRONS
IRONS, SEARS & SANTORELLI
1801 K Street, N.W.
Washington, D.C. 20006

*Attorneys for Petitioners*

ORDER OF THE DISTRICT COURT FOR THE MIDDLE DISTRICT OF NORTH CAROLINA IN Case No. M-172-73, entered November 15, 1973

THIS CAUSE COMING ON TO BE HEARD AND BEING HEARD ON October 25, 1973, before the undersigned United States District Judge on

MOTION OF ATELIERS ROANNAIS de CONSTRUCTIONS TEXTILES AND ARCT, INCORPORATED, TO QUASH AND SET ASIDE SERVICE OF PROCESS; FOR ENTRY OF A PROTECTIVE ORDER; AND FOR ATTORNEYS' FEES AND EXPENSES

and the Court having examined the briefs filed by counsel for each of the parties in support of and in opposition to said motion, together with the documents filed in support of said briefs, and having heard extensive oral argument from counsel for both Celanese Corporation and Fiber Industries, Inc. (hereinafter designated plaintiffs) and ARCT, Inc., and Ateliers Roannais de Constructions Textiles (hereinafter designated defendants);

AND IT APPEARING that circumstances exist[1] which, in the opinion of the Court, obviate the immediate necessity for a determination of the question of whether or not this Court has authority or jurisdiction to order the deposition of either of the corporate defendants "through Henri Crouzet, its President," and, accordingly, this issue is expressly left open for decision by the Court at some later date should said issue again become a matter of controversy between the plaintiffs and defendants;

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[1] See MEMORANDUM dictated by the Court at the conclusion of oral argument on defendants' motion, and certified by the Official Reporter of the United States District Court for the Middle District of North Carolina on November 5, 1973.

**NOW, THEREFORE, IT IS ORDERED, ADJUDGED, AND DECREED:**

1. That the two subpoenas, dated August 10, 1973, issued by the Clerk of the United States District Court for the Middle District of North Carolina, and directed to ARCT, Inc., and Ateliers Roannais de Constructions Textiles be and the same are hereby quashed without prejudice to the right of the plaintiffs to apply to this Court for the entry of an order allowing the issuance of similar subpoenas, upon:

(a) a showing by plaintiffs that the use of letters rogatory (28 USC 1781, Rule 28(b), Fed. Rules of Civil Procedure) will not produce the information sought to be obtained by plaintiffs by means of oral deposition of Henri Crouzet, and

(b) a showing that good faith efforts have been made to allow the use as evidence in MDL Docket No. 82,[2] depositions of Henri Crouzet, and exhibits related thereto, heretofore taken in C/A 71-306,[3] and that notwithstanding such efforts, said depositions and exhibits cannot, by stipulation or otherwise, be used as evidence in said Florida litigation, and

(c) a showing that even though the previous depositions of Henri Crouzet, and exhibits related thereto, may, by stipulation or otherwise, be used as evidence in MDL Docket No. 82, that such use will not produce the information sought by plaintiffs from Henri Crouzet for use in MDL Docket No. 82.

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[2] Designation for a large number of cases involving similar issues consolidated for discovery in the United States District Court for the Southern District of Florida.

[3] Designation for a large number of cases involving similar issues consolidated for discovery and trial in the United States District Court for the District of South Carolina.

(d) a showing that no other reasonable method will suffice to gain the evidence which plaintiffs contend can only be made available to them through the deposition of ARCT, Inc., and/or Ateliers Roannai de Constructions Textiles, through Henri Crouzet, President of each of said defendants;

2. That the foregoing portion of this order is without prejudice to the right of the defendants to contend and to show to this Court that it is without authority or jurisdiction to enter an order allowing a re-issuance of the subpoenas quashed by this order, even though all of the conditions referred to in Paragraph 1(a)(b)(c)(d) above are fully met by plaintiffs, it being expressly understood that the Court has deliberately left this question open for decision, and that nothing herein contained shall be construed as an inference or intimation by the Court that such subpoenas should or should not be allowed.

3. That this order is made by the Court pursuant to the discretionary power relating to discovery procedures vested in the Court by the provisions of Rule 26(c), Fed. Rules of Civil Procedure.

/s/ Eugene A. Gordon
Chief Judge

## EXCERPTS FROM THE TRANSCRIPT OF PROCEEDINGS BEFORE THE RESPONDENT JUDGE ON February 14, 1973, in Civil Action 71-306 In the District Court for the District of South Carolina

MR. MANN [Duplan counsel]: Your Honor, the last item I have that I would like to discuss with the court relates to the production of the various documents to Celanese, and the procedure that should be or that we can follow with the blessings of the court. I have had a call or two from various attorneys from whom a request has been made. I understand the bond which your Honor has established has been filed, and they are now making a request for copies of these documents, and I very honestly do not know the method that your Honor has in mind by which this is to be accomplished. I understand that one of the attorneys representing Celanese may be in the court room, and I would for their benefit like to know the procedure. Is it your Honor's intention that the individual attorneys are going to establish the charge for these documents, or should we come back to the court and ask your guidance with respect to the charge, or just what procedure should we follow in that respect.

THE COURT [Respondent Hemphill]: Well the information has been developed at great expense to both of you, and if the gentleman said, and I quoted him in my order, "This type of information frequently can be obtained through professional courtesy and cooperation at such time as the case is complete." They submitted to the jurisdiction because, really, I had no jurisdiction over them. They never have been in the case, and I don't think until it is submitted to the jurisdiction I am not sure they are before the court. Of course, nowadays, you don't go by the old rules so I thought the best thing would be for them to submit to the jurisdiction which

they did. They may deny it later, but I think at such time as it is appropriate in cleaning up this case I will ask counsel for their various statements as to the cost which they think should be assessed against these people since they didn't participate, and they didn't produce, and didn't have anything to do with it. Not only that, but the court has had terrific expense some of which, I think, should be charged as a cost of the case. Now, if he asks you to produce then that is up to you because it sets forth through courtesy and cooperation of counsel. At the same time, I would like to know at the end of the case what has been produced.

The court stenographer asked me a minute ago if they can get a copy of this record, and I said, "I suppose so if they put up the money." They order a copy of the record, and they haven't done anything to produce the record, and other people have. I don't know how much expense you have gone to in the case. I just don't have any idea. It seems to me when you try to get a free ride where other people have gone to a lot of expense, you ought to pay your share.

MR. MANN: Your Honor, might I then inquire if this procedure would be satisfactory with your Honor: We can go forward with the production of such documents, etc. of which request has been made to us, and subsequently after the production has taken place it is my understanding that the bond is there for the purpose of your Honor assessing the costs that would be involved and that payment will cover the cost of the various documents.

THE COURT: That is my understanding. Is there any objection on your part?

MR. GREENFIELD [DMRC counsel]: No, your Honor.

THE COURT: Because bond is in the penal sum of $50,000 conditioned upon the payment of such sums as the court may determine is appropriate in view of the fact petitioner bore no expense and made no arrangements, and suffered none of the difficulties. I think that is fairly broad.

MR. MANN: Well, we were in the position of having the request, and we did not want to do something that was not going to be in the spirit and intent of the court.

THE COURT: I still have some doubt as to the propriety of it, of their coming in, but at the same time the Fourth Circuit indicated to me something should be done, and once they made their move I thought it was up to me to try to follow it, and I hope I did follow what they said.

MR. MANN: Thank you, your Honor.

## COLLECTION OF CORRESPONDENCE

### LETTER FROM EDWARD S. IRONS TO CHARLES B. PARK, III, October 30, 1973

Dear Mr. Park:

This will confirm our telephone discussion of today's date concerning the procedures described in your letter of October 19, 1973 addressed to me.

In your October 19, 1973 letter you referred to my ". . . efforts to obtain access to certain documents etc. compiled and prepared in Consolidated Civil Action 71-306, . . .". You also referred to our prior negotiations in which your position was that copies would be made available to me only on a "non-selective basis".

The final paragraph of your letter of October 19, 1973 states:

> "Since February of this year our preparation for trial in the South Carolina action has progressed to the point where it would no longer be significantly disruptive to us to permit you to inspect the documents etc. in question, and obtain copies thereof on a selective basis. *Accordingly, we have offered to make available to you at our offices in Charlotte our master numerical set of the documents in question.* In response to our offer you have advised that Mr. Spellman of your firm will come to our offices on Monday, October 22 to commence a review of these materials." (Emphasis supplied.)

In our telephone conversation of today's date you advised, however, that you would *not* make available to me documents in your possession produced subsequent to about January 1, 1973, by DMRC, DMI and Chavanoz to the "Throwsters" (including your clients) in the South

Carolina action. You stated that the reason that such documents would not be made available is that Mr. Greenfield, counsel for DMRC, DMI and Chavanoz, has invoked the general and oral protective order of Judge Hemphill to insist that the documents in question be made available only at Mr. Greenfield's New York offices and not through your offices in Charlotte. It is understood from our discussion that only as to certain selected documents Mr. Greenfield also relies upon a special and presumably written protective order. We had previously undertaken, in a telephone conversation with Mr. Greenfield's associate, Mr. Finnell, not to press at this time for these selected documents.

I stated in our telephone conversation of today that it was unacceptable to Celanese and FII to obtain documents from Mr. Greenfield.

There were several reasons why we elected to proceed with the document inspection in your offices in the manner indicated in the above-quoted final paragraph of your October 19, 1973 letter. Among these is the fact that the documents in question *are* in the posession and control of your clients who are also parties to MDL 82 pending in Florida and therefore subject to the process of the Florida court. This being the case, the question of the *right* of Celanese and FII to have these documents produced, without the imposition of penal sanctions by Judge Hemphill and as required by Rule 34 was properly before Judge Atkins in Florida. It was felt for this reason that we had some protection against the aforesaid penal sanctions in furtherance of which Judge Hemphill has required Celanese and FII to post $50,000 penal bond. For this reason we decline to accept documents produced *only* by Mr. Greenfield, who is not and whose clients are not before the Florida court. To do so would expose us totally to the prior restraint of the penal sanctions threatened by Judge Hemphill's outstanding orders.

As I explained, it will, accordingly, be necessary for Celanese and FII in due course to press the previously filed Rule 37 motion in MDL 82 to obtain from your clients the documents which Mr. Greenfield refuses to release.

In our view, contrary to par. 11 of Judge Atkins' order of October 29, 1973, this Rule 37 motion is not *moot* for at least two reasons. First, the question of our *right* under Rule 34 to obtain the documents for use in the Florida litigation *absent* the imposition of penal sanctions by a foreign court requires resolution. Secondly, *it* now appears that we cannot obtain some of the documents sought by our Rule 37 motion, *i.e.*, those subject only to Judge Hemphill's oral and general protective order which Mr. Greenfield has refused to permit you to release to us.

Very truly yours,

/s/ Edward S. Irons

## LETTER FROM JAY GREENFIELD TO EDWARD S. IRONS

November 2, 1973

Dear Mr. Irons:

I have a copy of your letter to Charles Park, dated October 30, 1973, which relates to documents that my clients produced in the captioned action.

I do not want to get into any dispute between you and Mr. Park; nor do I want to get into any dispute with you. So far as my clients are concerned, you may inspect documents which they produced in the captioned actions in 1973 so long as they do not contain trade secret information. If you wish to inspect documents that do contain trade secret information, we should discuss that with you or your office so that the interests of our respective clients can be protected.

Given the highly confidential nature of some of the documents produced by our clients in 1973, and given the fact that Mr. Park represents throwsters against whom my clients are litigating, it would not be appropriate for Mr. Park to determine which of my clients' documents are confidential and which can be made freely available to you. While I have the highest regard for Mr. Park's integrity and ability, he obviously is in no position to make any decisions concerning my clients' documents or rights.

Accordingly, I suggested to Mr. Park that you deal with us directly with respect to any documents produced by our clients in 1973. (To the extent your letter attempts to describe conversations between my office and Mr. Park, I make no comment; I expect that there will be no dispute between Mr. Park and me concerning what was said.)

Subsequently, Ms. Sears of your office spoke with my associate, Mr. Finell, and arranged to follow this procedure. Ms. Sears stated that your office had no interest in the particular items we consider confidential—namely, yarn processing conditions employed by our clients, quantities of production, and royalty revenues—and stated that she would be in touch with us to set up an appointment to inspect our clients' documents at our office.

If you will attempt to work with us, we will make available all of the documents our clients have produced which are not confidential we will describe which documents are confidential so that you will be able to determine whether further steps are necessary on your part.

If you can think of any other procedure which is responsible and more reasonable, I would be glad to consider it.

We have no quarrel with you or your clients, and I do not wish to become involved in endless motions, appeals, mandamus applications, and certiorari petitions concerning these documents. Both of us have more significant things to do with our time.

In short, can't we try to work this matter out like reasonable and responsible lawyers?

Very truly yours,

/s/ Jay Greenfield

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## LETTER FROM CHARLES B. PARK, III TO EDWARD S. IRONS,

November 6, 1973

Dear Mr. Irons:

This will acknowledge receipt of your letter of October 30, 1973 relating to your clients' "access to certain documents, etc. compiled and prepared in Consolidated Civil Action No. 71-306".

In order that the record may be complete, we think it should be made clear that our offer of access extends to all materials compiled and prepared in the action as of the date of Judge Hemphill's January 22, 1973 Order giving you access to such materials.

As to materials compiled and prepared since the date of Judge Hemphill's Order, Mr. Greenfield, counsel for DMRC, DMI and Chavanoz, is insisting that you deal directly with him with respect to your access to documents produced by, and transcripts of depositions of employees of, his clients.

As to documents produced by, and transcripts of depositions of employees of, Ateliers Roannais de Constructions Textiles since the date of Judge Hemphill's Order, we have advised you that Mr. Granville Brumbaugh, counsel for ARCT, has given us permission to give you access to these materials.

Very truly yours,

/s/ Charles B. Park, III

## LETTER FROM EDWARD S. IRONS TO JAY GREENFIELD

November 15, 1973

Dear Mr. Greenfield:

We were pleased to receive your letter of November 2, 1973. We apologize for the delay in response, attributable to our involvement in deposition proceedings.

Certainly we concur in your suggestion that we "try to work this matter out like reasonable and responsible lawyers". Indeed, this is the approach which we have always undertaken in connection with this matter. I believe that it is the approach which you also indicated at the hearing of December 7, 1972 (Tr. 16) before Judge Hemphill.

Our reluctance to deal with you directly with respect to documents produced by your clients in 1973 is accurately stated in the paragraph beginning at the bottom of page 2 and concluded at the top of page 3 of our letter of October 30, 1973 to Mr. Park.

You have stated in your letter "that if we can think of any . . . procedure" other than those which you have suggested and which is "responsible and more reasonable" that you will be glad to give consideration thereto.

Your letter also indicates that you are in the position to "make available all of the documents [your] clients have produced which are not confidential" and to "describe which documents are confidential". You also state that Mr. Park "obviously is in no position to make any decisions concerning [your] clients' documents or rights".

Approaching this matter as a reasonable and responsible lawyer, I suggest that you indicate to Mr. Park in writing those documents which your clients "have produced which are not confidential" and authorize Mr.

Park to release those documents to us promptly. I further understand that you have refused to proceed in such manner at the suggestion of Mr. Park and to the extent that you may have so refused, I ask that you reconsider your position.

I also suggest that you describe in writing to me and to Mr. Park "which documents are confidential" so that we may agree upon an appropriate form of protection for your clients' interests which will permit those documents to be released by Mr. Park to us as counsel for such review as we may deem appropriate. In this regard, we reaffirm our previous undertaking to be bound by whatever protective orders may have been imposed by Judge Hemphill with respect to the specific confidential materials involved.

In addition, we respectfully suggest that all of the problems which we have encountered may be avoided if you are willing to proceed in a reasonable and responsible way consistent with your statements on the record of the aforementioned December 7, 1972 hearing. Specifically, we suggest that you promptly represent in writing to us and to the Court that you will *not* seek, directly or indirectly, the imposition upon Celanese and FII of any penalties in connection with this matter; that you will accept the reasonable cost of copying of the documents which we specify as a total discharge of our obligations insofar as you and your clients are concerned; and that you request the Court to concur in that arrangement insofar as your clients are concerned.

We appreciate the attitude reflected by your letter of November 2nd. We trust that you will be able to agree with the aforementioned approach.

Sincerely,

/s/ Edward S. Irons

## LETTER FROM EDWARD S. IRONS TO DAVID RABIN,

November 15, 1973

Dear Mr. Rabin:

Mr. Joseph Hamilton testified in the South Carolina litigation, C.A. 71-306, on March 26 and 27, 1973.

Mr. Park has advised Mr. Spellman that he will not release Mr. Hamilton's aforesaid deposition to Mr. Spellman absent your approval.

We wish to obtain promptly a copy of this deposition in its entirety together with copies of all the exhibits as actually marked during the course of the deposition or which are referred to in the deposition.

Will you please advise by your reply to this letter, with a copy to Mr. Park, whether or not Mr. Park has your permission to supply this material promptly to us.

Very truly yours,

/s/ Edward S. Irons

## LETTER FROM CHARLES B. PARK, III TO EDWARD S. IRONS,

November 20, 1973

Dear Ed:

We have a copy of your letter of November 15, 1973 to Dave Rabin concerning your access to the deposition transcript of Mr. Joseph Hamilton taken in the above proceeding on March 26 and 27, 1973.

When I told you some time ago that we would be willing to furnish you access to our depository of discovery materials obtained by the Throwsters in the South Carolina litigation (except the post-January 1, 1973 materials about which you have been corresponding with Mr. Greenfield), there was no discussion with respect to discovery *by* DMRC et al of the Throwsters.

I have told Marty Spellman on several occasions during the past few weeks while he was here at our office inspecting documents, etc., that we did not maintain a depository of DMRC's discovery materials obtained from the Throwsters. Accordingly, we are not in a position to furnish you access to DMRC's Texfi discovery materials, or any other DMRC Throwster discovery materials, other than Duplan's, to which you have already been given access.

I hope this clarifies this matter for you.

Very truly yours,

/s/ Charles B. Park, III

AFFIDAVIT OF MARTIN J. SPELLMAN, JR., executed October 30, 1973, filed in the District Court for the Southern District of Florida on or about November 2, 1973

MARTIN J. SPELLMAN, JR. being duly sworn deposes and states that:

1. He is a partner in the firm of Irons, Sears & Santorelli, counsel for Celanese Corporation (CELENESE) and Fibers Industries, Inc. (FII):

2. Since the morning of October 22, 1973, he has been reviewing, daily, the transcripts of depositions and copies of production documents in the action of The Duplan Corporation v Deering Milliken, Inc., et al C.A. 71-306 United States District Court, District of South Carolina, Rock Hill Division, at the offices of Parrott, Bell, Seltzer, Park & Gibson, Charlotte, North Carolina.

3. Of said transcripts and production documents examined by him to date, in excess of about thirty per cent bear directly or indirectly on matters of this present litigation and must be thoroughly considered to properly represent the interests of CELANESE and FII.

4. He estimates that to complete the review of said transcripts and production documents will require at least two and one-half to three man months.

Further deponent saith.

/s/ Martin J. Spellman, Jr.